The China Weekly

REVIEW

密勒氏評論報

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WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

R. C. ANDREWS AND HIS "HUNTING" EXPEDITIONS

A well-known American correspondent who resided in Peiping for several years once stated that he never was able to determine from the publicity and press-photographs distributed over the world whether the Andrews' expedition to Mongolia was engaged in scientific work or was merely on a glorified hunting expedition. Now we have a report (*Reuters* from Peiping, September 3) which quoted a spokesman of the Chinese Commission for the Preservation of Antiques to the following effect, "In 1928 the commission voiced Chinese public opinion in objecting to Dr. Andrews' expedition, which freely made extensive excavations of paleontological and archaeological objects from Chinese territory under cover of a simple hunting passport." The subject is suggested because Dr. Andrews, the leader of the American Museum of Natural History's expedition in Mongolia, is again engaged in a newspaper publicity battle with the Chinese in Peiping. We do not know just what happened, but from what has appeared in the newspapers, it seems that Dr. Andrews again called in the foreign newspaper correspondents and announced, "Well boys, because of Chinese opposition, I have decided to quit Peiping and transfer my scientific (and publicity) activities to Manchukuo where I have been offered facilities for exploration in Mongolia." After the correspondents had duly recorded this important information, Dr. Andrews then apparently proceeded to give the newspapermen his views on Chinese political conditions and things in general, most of which probably was not very complimentary about the Chinese and their ways of doing things.

We are not in a position to certify to Dr. Andrews' rank as a scientist, but we do know that he is an A-1 publicity expert both as lecturer and writer. Also, he is an A-1 expert in the handling of newspaper correspondents for he usually is good for a front page story. Several years ago Dr. Andrews' story about the million-year-old Dinosaur eggs which he found in Mongolia, appeared on the front pages of most of the world's newspapers, along with Dr. Andrews' picture and as a result Dr. Andrews was able to book lecture dates all over the United States (at first-class prices) and in addition was able to collect a handsome sum for further explorations. Also, it resulted in excellent publicity for Mongolia and in

consequence probably did much to whet the appetites of the Japanese for Mongolian territory. As a matter of fact it is said that pre-historic skeletons similar to those found in Mongolia can be excavated by the truck-load in various parts of the United States, but owing to Dr. Andrews' publicity the impression has been created over the world that Mongolia was the sole playground of these monsters. Then came the "missing-link" story to the effect that Dr. Andrews believed Mongolia to be the location of the Garden of Eden, but the famous American explorer was unfortunate in this connection for while he was exploring (and hunting antelopes) in Mongolia a modest and previously unknown Chinese scientist discovered the skull of an allegedly genuine "missing-link" in a cave near Peiping. Most of Dr. Andrews' troubles with the Chinese have come from his bombastic publicity, both spoken and written, which has been spread over the world by newspapermen at Dr. Andrews' bidding. The Chinese charges against Dr. Andrews were well summed up in one sentence which appeared in the recent *Reuter* report, "The Commission is always ready to bring about closer scientific cooperation, but the arrogant attitude of Dr. Andrews is responsible for the deadlock in our negotiations." The fact that a number of other scientific organizations, European as well as American, continue to operate in China without apparent trouble with the Chinese serves more or less to controvert Dr. Andrews' newspaper declarations that the Chinese are apposed to such scientific work. In other words, Dr. Andrews apparently has not, even yet, realized that he is living in a changed China and that some consideration must be given to the Chinese people and their sensibilities. If Dr. Andrews carries out his threat and transfers his activities to Manchukuo, it will be interesting to observe his relations with the Japanese war-lords who control that area. We imagine that Dr. Andrews' next expedition from Manchukuo will be more than well supervised by Japanese espionage officers, providing he is able to operate at all. Also, Dr. Andrews will not find Mukden or Changchun so well equipped with polo-ponies as Peiping. However, Dr. Andrews might establish himself in Harbin, which city, while lacking polo-ponies, does nevertheless have other attractions which in all probability will appeal to the eminent American scientist and antelope hunter!

"REVOLUTIONARY" DIPLOMACY AND THE JAPANESE CRISIS

AKIRA ARIYOSHI, new Japanese Minister to China, who arrived in Shanghai last Sunday, departed on Tuesday night for Nanking for the purpose of calling on various officials of the National Government. According to interviews with the Japanese Minister which have appeared in the Japanese propaganda news services, Mr. Ariyoshi has declared his determination to re-establish the old "friendly" relations which previously existed between China and Japan, but nothing was said as to how he hoped to accomplish this objective in view of the present activities of the Japanese war-lords in Manchuria not to mention the pending recognition of the puppet Manchukuo state by the Japanese Government, which action is scheduled for September 15. In this connection it is interesting to read the following paragraph by Tang Leang-li on "Revolutionary Diplomacy," which appeared in the September 1 issue of *The People's Tribune*, a journal which is popularly supposed to reflect the views of Wang Ching-wei, late head of the Executive Yuan,

> "Revolutionary diplomacy does not mean the embarking on irresponsible policies without a full realisation of their implications—with some to court popular favor, with others to cover up past follies and mistakes—but a fundamental change of method, based on a new philosophy of international relations, a more intimate knowledge of the realities of the situation and the wholehearted co-operation between the Government and the people. To create a situation which would lead to the certain ruination of the country for the next few decades is a task easy enough but is hardly diplomacy. And to oppose any act, however meritorious, of the Government of the day, which does not at one stroke bring about the new international freedom for China—without reference to the peculiar circumstances of the moment—to indulge in meaningless, irresponsible denunciations and in acts of personal violence, is not patriotism, far less an aid to the successful conduct of the country's foreign affairs. But to save what can be saved, and by persistent clear-headed effort to bring about a new relationship between China and the Powers, even at the cost of a temporary compromise, this is the proper function of revolutionary diplomacy."

THE LATEST FRENCHTOWN GAMBLING SCANDAL

IN an article in a rather humorous vein, more than half a column long, the Shanghai French "official" daily newspaper, *Le Journal de Shanghai*, gave several details and made a few comments concerning the statement made by a Chinese gambler who had been operating a gambling house in Rue Ratard to the effect that he had paid ten thousand dollars for protection but nevertheless the French Police had raided his premises. Reference to this incident was made in *The Review* of September 3 (p. 29), and in the meantime there have been further interesting developments. The article in *Le Journal de Shanghai* mentions that when the Chinese promoter of the gambling establishment was laid hold of by the Police, he quite seriously and emphatically protested, saying that he had paid $10,000 *to the French Consul General*, that everything was all right and the French Police had no "right" to arrest him. The French journal mentions that the Police were naturally astounded at such a statement, made enquiries and found that some one had been impersonating the Consul. After stating that a criminal charge was being brought against the two French citizens involved in the affair, the *Journal* comments that in future such people will know better than to presume to pass themselves of as "prominent personages."

(Free translation of article in Le Journal de Shanghai, September 1)

Quite recently a rich Chinese named Tsu Kung-yang and some of his friends got the bright idea of opening a gambling house in the French Concession. A suitable location was easily found, also the necessary staff and equipment. There was only one difficulty to be got over. Tsu had heard that the French Police weren't particularly pleasant to people who kept houses of that kind. The question therefore was how to arrange matters so that the Police would leave him in peace. Tsu confided his difficulty to a friend of his whom we will call Mr. X, who, as he thought, would certainly be just the man to arrange such matters as he was a naturalized French citizen and knew the language perfectly. "It will be quite easy to get the necessary permission," Mr. X told him, "I can easily fix things for you provided you furnish the necessary money. All it will cost you will be $10,000, and then you can run your establishment without any risk whatever." Tsu accepted the proposition and handed over the sum mentioned. Mr. X immediately began the necessary steps. Matters moved quickly and several days later he hunted up Tsu and told him that everything was fixed up and Tsu could personally get confirmation of the decision right at the French Consulate itself. An appointment was made for the following day and the two went together to the French Consulate. Just as they were going in two Europeans were on the point of coming out. "Wait," said Mr. X, "Here is the Consul himself in person and he can give you the good news himself." Tsu was formally introduced to one of the strangers, who told him, "Regarding that matter of yours everything is now arranged," and having said this he went away. Tsu didn't waste any time in opening his gambling house and made the news known to all the "sports" that Dame Fortune was ready to smile on them at his salon in Rue Ratard. The place was well patronized. Tsu rubbed his hands and gave thanks to Heaven for having given him such a good friend and so well placed as Mr. X. However, two days later, he was disagreeably surprised to see his place surrounded by a cordon of French Police, who raided the place, seized the stakes and gambling material, and marched off the whole lot of people to the Police Station. There Tsu bewailed his fate and declared that everything was quite in order because the French Consul in person had confirmed to him the necessary permission. There was naturally quite a sensation among the police, who questioned the unhappy Tsu at great length. They extended their investigations and easily found out the truth.

Mr. X and his two European accomplices had quite neatly hoaxed the unfortunate Tsu, one of the accomplices having had the audacity to pass himself off as the French Consul General, right in the compound of the Consulate. The trick had been well played. The Police, convinced of the good faith of Tsu, consented to set him at liberty under a bond of $10,000. The poor chap had thus to pay out $20,000 for a permit that he will never get. A criminal charge has been started against the culprits, who will learn to their sorrow what it will cost them to take upon themselves the impersonation of others.

The Review during the past year or so on several occasions has referred to the very unsatisfactory state of affairs in the French Concession, concerning such evils as gambling, prostitution, opium, etc. There has been an apparent change for the better following a "shake-up" some months ago, but the "atmosphere" must certainly still be considerably contaminated when a Chinese gambler, evidently in good faith hands over to some one ten thousand dollars as a bribe and apparently takes it for granted that it is true when he is told that the money is going to the French Consul Generai in Shanghai. There is a remarkable similarity between this incident and a similar one which occurred in Canton last month, details of which are given in another part of this issue of *The Review*.

Some months ago *The Review* received a copy of a French weekly journal published in Paris called "La Lumiere" (The Light), dated June 18, which contained an article entitled "When Will the French Concession in Shanghai Be Cleaned Up?" The subject matter seemed a little old but now that this new scandal has appeared in the French Concession of Shanghai, we produce below the essential features of the article, omitting names and irrelevant matter.

(Translated From La Lumiere, Paris, June 18, 1932.)

In a previcus issue we referred to a Chinese organization in the French Concession of Shanghai, known as the Combine, with a view to profitably controlling all forms of vice. This Capone-like organization became so powerful as in a way to form a sub-government of the whole locality.

Between it and the local authorities there was not only connivance, but large sums of money found their way to Paris for the purchase of the consciences of the necessary supporters. Before that the feeble local authority to avert a strike with serious consequences had actually appealed to the director of the Combine (whose name is given in the original). This fact was referred to over the signature of Marc Chabourne, in *Petit Parisien*. Many important persons who have returned from Shanghai have confirmed this.

The Naval Authority, (in Shanghai,) took command of the situation, eliminating the civil, and it is owing to its intervention that the French "face" so nearly lost by the Foreign Office in Paris was re-established. The Combine leader was kicked out but a bitter revenge has been taken, as our contributor, Henri Dumoulin testifies. "Within ten days four important persons were murdered." said the Paris *Midi* last March. Koechlin, Consul-General, Marcaire Head of the French troops, Pac de Marsoulies, the eminent barrister, and G. M. Haardt, the leader of Citroen Expedition. An Italian journal gave as the cause of this series of murders a demonstration against the pro-Japanese policy of the French government, but we insist that it was because of the forced resignation of the Combine leader and we are supported by well-informed local opinion, which maintains it was revenge by the eastern Capone, who had lost his important position in the French Municipality. The above four important personages died at a few days interval from various causes, after a dinner they had partaken of together. The French Minister who was also present was attacked by sickness, causing some embarrassment to the deputation of the League of Nations, in Shanghai at the time. The Recorder of the Consular Court was induced to accept a harmless present of an innocent-looking box of cigars, the contents of which caused his hurried removal to hospital. An analysis of the cigars remaining was promptly made by an independent office outside the French Concession, viz., the laboratory of the International Settlement. This established the fact that the Recorder had been attacked by arsenical poisoning caused by the inhalation of smoke from the infected articles.

It would really seem as though the moment had arrived when favored by the election of a government of the Left an inquest might be constituted to deal with the scandals of Shanghai, a commission that should be fortified by the presence of an Inspector of Finance capable of discovering and bringing to light the culpability of all the persons concerned either in Paris or in the Far East. Chabourne in his book on China, page 35, comments plainly on the retirement of the Combine leader from his important official position in the French Municipality. Officials ascribe it to his desire to use his time for internal politics. The following is a slight indication of how things happened. In February 1932, martial law was declared in Shanghai. The Japanese attack of January 28 in Chapei, had begun. The Combine leader who in '27 had caused some innocent coolies to be massacred as Communists saw his opportunity. As by the waving of a wand, the streets of the French Concession were filled with men wearing armlets of tricolor, and clad in long white robes, bearing arms generously provided by the French Police. Their mission was to watch over the distribution of the Combine leader's packets of opium. A responsible person, whose name cannot be given here, but will come forward we hope some day, in company with others testifies, that on February 18 he communicated the following note to the Admiral Commanding the French Naval forces in the Far East: "The Combine leader (name given) is ready at an opportune moment to create riots in the Concession and circulate a report that the Japanese are attacking the Annamite troops, or that riots are going on in the Concession, but Siccawei Creek is being strongly held, etc. These anti-French acts are unfortunately tolerated, for a reason, by the Director of the Police."

A few days later, the Admiral caused the men in armlets to disappear and the Combine leader had vanished from his post. This be it said to the credit of the Admiral.

There has been something very rotten about the Concession since 1927. The worthy politicians praised so much by

certain missionary journalists of the Foreign Office, as well as the cunning combinations of the Intelligence Service, have nearly brought about a war in the Far-East. France has been compromised in a pro-Japanese movement instigated by a "bandit," for whom his Chinese fellow countrymen can hardly be held responsible, and to whom the agents of the Ministry for Foreign Affairs have made the immense mistake of mixing themselves up with, for motives of their own which should be elucidated. The courageous action of a few French citizens and the active decision of the Marine, have alone saved us from a terrible situation.

And what will tomorrow produce?

We can prophesy, the repetition of the same abuses and errors if Parliament does not decide once for all, that the Ministry of Foreign Affairs should restore the state of cleanliness—the ideal of France.

WORLD'S TWO PRINCIPAL TEXTILES IN CONFUSION

A WORSE-mixed-up situation as regards the world's two principal textiles, cotton and silk, than exists at the present time could hardly be imagined. In China and Japan, the two principal silk exporting countries, the producers are in dire straits because of a lack of demand throughout the world generally. In England, the principal manufactured-cotton exporting country, manufacture has largely come to a standstill as the result of a stupendous strike. India has recently increased its duties on cotton goods, and with the coming into force of the provisions of the Ottawa conference, there will be a still further discrimination against cotton goods of non-British origin. The result is that the Japanese trade in cotton goods is being hard hit in British India, and this in turn is having its effect on the Netherlands East Indies, as the Japanese, being largely excluded from the Indian market, are now concentrating on the Dutch island possessions, with the result that the Dutch textile exporters are appealing to their government for relief, stating that unless something is done to help them, they or at least many of them, will have to close their factories. As regards England, she is unable to take advantage of the increased demand for cotton goods of British origin in India, because of the incidence of the strike. Incidentally also here in China the native silk industry is hard hit by the extraordinarily low world price of artificial silk, and it is a surprising fact that in this oldest of silk countries a very large proportion of the native population is at present wearing clothing made wholly or in part of artificial silk. There is no artificial yarn produced in China, but huge quantities of yarn are imported and woven into cloth here. A large part of this import has been coming from Japan, from which country also there had in recent months been imported a large quantity of silk goods, and even cocoons, and it was with a view of stopping or at least greatly reducing, this import—not only of artificial silk but of natural silk—that the Chinese Government recently heavily increased the duties on both of them.

In Japan, it will be remembered, the government about a year ago came to the aid of the silk industry by buying in many millions of dollars worth of raw silk, but this maneuver in the end proved of no avail, as the price throughout the world slumped so greatly that the government was unable to keep up the purchases. Eventually the Japanese government made a contract with a New York import firm to take over the whole lot of government silk at approximately the then ruling world price, but in the end the Japanese government cancelled the sale, owing mostly to the appeals of the silk merchants that if this large quantity of silk were dumped on the American market the inevitable result would be to depress prices still further. America is by far Japan's best customer for raw silk, but this trade has been badly hit by the unprecedented depression in the United States. However, considerable Japanese silk still continues to be exported from Japan to America, the port of Kobe last month for example having shipped 18,672 bales of raw silk, in addition to considerable quantities of textiles.

A very large part of China's silk is raised in the provinces of Kiangsu and Chekiang, where the silk farmers are in a sad plight. After many months of agitation the silk farmers of these provinces are at last being assisted by the National Government, the Legislative Yuan at a recent meeting at Nanking having adopted a set of regulations authorizing the issue by the two Provincial Governments of a three million dollar loan, bearing interest at seven percent, on October 1. The loan is to be known as the "21st Year Kiangsu and Chekiang Silk Short Term Loan." For the service of the loan, the Ministry of Finance will appropriate and remit each quarter to the National Loans Sinking Fund Commission adequate sums from the subsidies granted to the two provinces to make up the deficit in revenue resulting from the abolition of likin. The bonds will be issued in the form of bearer bonds and in the denominations of $1,000 and $100.

A recent telegram from Osaka stated that the Japanese cotton trade is "extremely indignant" over the "Indian discriminatory prohibitive tariff against Japanese cotton piece-goods." Three cotton organizations in Osaka after a special joint committee meeting on September 3 issued a statement that "should India's attitude remain unrectified" Japan would be forced to a "certain determination." According to the statement, the "discriminatory Indian tariff against Japanese cotton piece-goods" is exciting the people's feelings. The question of the Indian duties was brought up at an extraordinary session of the Diet, when Mr. Adachi, former Home Minister asked what action the Japanese Government was taking regarding the "double high duty" as compared with Lancashire goods, which has been imposed by India, which he said disregarded the provisions of the Indian-Japanese Commercial Treaty. The Japanese Government replied to Mr. Adachi's question that, in view of the "gravity of the question" they were despatching representations to the British Government on the subject. In this connection it is to be noted that the Indian Tariff makes no discrimination against Japanese cotton goods as such, the same duties applying to all countres other than British territorities, but that does not change the fact that Japan is the country principally hit.

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The cotton mill strike in England comes at a most inopportune time as far as the general interests of the British cotton export trade is

concerned. Not only has the boycott against Japan given a strong impetus to the sale of British piece goods in China, but the discrimination against non-British goods in India has naturally opened a large market in that country.

The strike began in the Lancashire district August 27 and affects 200,000 cotton weavers. The dispute in the British cotton industry is only partly due to the question of wages. The two sides, the Cotton Spinners and Manufacturers' Association and the Central Board of the Northern Counties Textile Trades Federation are also deadlocked on the amount of control which the union shall have in the selection of workers. One of the points in dispute is the number of looms which shall be allotted to one worker. A London telegram of September 1 said the employers scorned the unions for their autocratic attitude and methods of intimidation employed by them for preventing thousands of workers from going to the mills in spite of their wish to continue work. At Blackburn, all weaving mills had to be closed on account of the threatening attitude of the unemployed weavers, whose number in that region amounts to 20,000 besides several thousands of jobless of other trades. A settlement of the dispute is nowhere in sight and in the meantime the British cotton industry is losing a golden opportunity. It is because of a realization of this fact that British government officials are doing their utmost to bring the strike to an end. The Minister of Labor, Sir Henry Betterton, several days ago informed Premier MacDonald that he had written to both sides of the dispute suggesting possible ways of bringing them together. One of the charges levelled against the manufacturers, by John Bromley, the head of the Trade Union Congress at Newcastle September 5, and one which is probably true, is that exploiting financiers had impoverished the cotton industry and as a result the owners tried to keep the workers at a starvation level. Incidentally Mr. Bromley criticized the decisions of the Ottawa conference —particularly opposing discrimination against Russia, which he described as "a friendly power with whom we have so much sympathy."

FAR EASTERN LEADERS OR MERE BULLIES?

ON Friday evening of last week two military trucks loaded with some 80 Japanese marines sped along the Shanghai Bund in the direction of Nanking Road. The traffic lights were against them, but they swerved into Nanking Road nevertheless and narrowly missed running down a Chinese boy, an employe of the local Tramway Company who was engaged in the lowly but necessary occupation of greasing the street-car tracks. The Chinese boy yelled an allegedly insulting expletive at the Japanese marines, who immediately stopped their trucks, seized the Chinese youth, beat him severely, threw him in the truck and apparently were on the point of carrying him away. An Indian Sikh policeman happened to be on traffic duty at the corner and noticing the Japanese action, blew his whistle for assistance and jumped on the running-board of one of the trucks and prevented the Japanese from proceeding. Other policemen in the vicinity, including several British members, ran to the scene while a telephone message was sent to police headquarters for reinforcements. The riot van shortly appeared on the scene and in short order the Chinese boy was released and the Japanese marines escorted to the central police station. The Japanese have since lodged a strong protest with the Municipal Council of the International Settlement, alleging that the Municipal police used "strong-arm" methods, displayed their revolvers and even struck some of the Japanese marines. A full report of the incident appears elsewhere in this issue of *The Review*, but almost daily there has been a new development in the case, the latest being a call on Police Commissioner Gerrard by Captain Baron Samejima chief-of-staff to the commander of the Japanese naval landing party, who apparently demanded an apology.

It was most fortunate that this incident occurred on a prominent street corner in front of Shanghai's two leading hotels for it has provided Shanghai residents, particularly the British, with a close-up view of what the Japanese are doing, and have been doing in Shanghai and elsewhere in China for many months. Actually there was nothing unusual in the incident; it was merely a repetition of hundreds of similar incidents which took place in Shanghai last January and February and which have been taking place on a major scale in Manchuria for practically a year. The only difference was that the Japanese military bullies and ruffians were observed in this instance and neutral foreigners were in a position to assist an unfortunate Chinese boy who was being mistreated by some eighty Japanese bullies wearing the uniform of the Imperial Japanese Navy. The Japanese propaganda *Press Union* service, which is nothing more nor less than the mouthpiece of the local Japanese military crowd, issued a lurid account of the affair and had much to say regarding the "insulting" action of the local British policemen in allegedly using strong-arm methods in rescuing the Chinese youth. In the absence of an official report from the Police Department, we are not in a position to know what the police did, but if they used strong-arm methods they were fully justified for the Japanese had no legal or moral right to seize the Chinese boy. If the Chinese youth had done anything warranting punishment, he should have been turned over to the policeman on duty at the corner. But instead of doing this the Japanese bullies-in-uniform took the law into their own hands and had the police not interfered he probably would have been carried away to some Japanese military barracks for confinement and further mistreatment. The local police department is to be complimented for its prompt and efficient action and there is hope that the action of Shanghai Municipal Police on last Friday night will be the fore-runner of somewhat similar action, internationally speaking when the world Powers take up Japan's case at Geneva next month. Recently the Japanese have done considerable talking about their right to leadership in the Far East. Obviously they have forfeited all rights to leadership in the Far East or elsewhere, for instead of embodying the elements of real leadership they have indicated by their actions that they are nothing more or less than bullies and ruffians and the sooner the world

wakes up to the fact the better it will be for all concerned—particularly the Japanese military crowd which manifestly has gone amok. The Japanese are bound to learn sooner or later, and we hope sooner rather than later, that the civilized world will stand for just so much bullying and then international patience will be exhausted!

SHANGHAI'S ATTITUDE ON THE JAPANESE SITUATION

A SHANGHAI Britisher writing in the *North-China Daily News* last week, fittingly rebuked some of his fellow countrymen on the score of their "pro-Japonism," the letter being inspired by several communications which had appeared previously wherein sympathy had been expressed for the Japanese point of view in connection with the present Sino-Japanese crisis. Space is too limited for reprinting the entire correspondence but the following paragraph from the Briton's letter is well worth reading,

> He is throwing us the delicious bait "trade expansion" so popular now with Japanese propagandists along with the "paradise on earth," "prosperity for all" and the Bolshevik spectre. It will be unnecessary to tell it to informed business men of this city but it seems important to impress it on the minds of the less initiated: "trade expansion" certainly, "prosperity" perhaps, "paradise on earth" may be—but only for the Japanese! There are still a few foreign pioneers of trade amongst us able to tell what a splendid business they did in the good old Korea under Chinese suzeranity and how this business dwindled fast away to almost nothing under Japanese domination of this unhappy country. And there are plenty of foreign businessmen who can tell how even before the Japanese coup of September last their Japanese competitors were favored by preferential freight charges on steamers and railways, by bank loans free of interest, by far reaching diplomatic and military collaboration. To-day it is getting worse, for all the different public works started by "Manchukuo" up to now the contracts have gone to Japanese firms and likewise in other lines of business the Japanese trader has all the advantages, the westerner none. And so it would go on, if Japan should succeed in her plans with "Manchukuo" there are good reasons to believe that she will not and every foreigner out here should do his level best to defeat the sinister schemes of Japanese militarism which are a disgrace to our times and a slap in the face of humanity and justice. The defence of Japanese policy should at all events be left entirely to Japanese propagandists. In this matter foreign and Chinese interests harmonise completely, quite apart from the question that we may have reasons for dissatisfaction with this country her government and people in other respects.

Following the publication of the foregoing letter, other contributors, also writing anonymously, commented on the present crisis in Shanghai resulting from the threatened Japanese intervention. One inquired pointedly regarding the plans of the Settlement authorities for assuming responsibility for the protection of the Hongkew district in the event of another Japanese military adventure here. The writer, apparently a resident of the Hongkew section concluded his letter with the following sentence, "If the authorities of the International Settlement cannot protect us in time of emergency, kindly advise us beforehand." Another writer, after referring to the recent incident at the corner of Nanking Road and the Bund involving a clash between Japanese marines and Municipal police, suggested that it might be "tactful, wise and considerate, if the Japanese naval authorities would suspend their peregrinations through the streets of Shanghai." Continuing, the writer asked, "What good does it do to send truck-loads of armed and unarmed marines, armored cars and motor-cycles at this time on exhibition, when such sights, admirable though they may be in themselves especially to Japanese eyes, may cause friction and possibly precipitate an incident quite easily resulting in dire consequences."

There is undoubted significance in these communications because they indicate a realization on the part of the Shanghai public, but particularly the British, of the real inwardness of Japanese policy at Shanghai as well as elsewhere in China. At the time of the Sino-Japanese war at Shanghai last January and February, there were many foreigners who believed the Japanese propaganda broadcasted over the world that the Japanese actually were protecting Shanghai against an attempt on the part of the Chinese military to occupy and loot the city. However, that propaganda did not last long in the face of the insolence of the Japanese military authorities and their obvious attempt to seize control of the entire foreign settlement. There were several occasions during the course of the Sino-Japanese complications when the 19th Route Army might have occupied Hongkew but it did not do so and as to the looting charge, there was practically no looting in Chapei while that section was held by the Chinese forces, but plenty of looting after the Japanese military took over. Now, in view of recent Japanese demands for more Japanese members on the police force (*Shanghai Times*, September 4) and opposition to increased Chinese representation on the Council, and of more importance, the Japanese action in blocking a settlement of the outside road issue, there can no longer be any question regarding Japan's objective—which is the complete control of the foreign settlement. Several months ago, following the annual municipal election, it was shown quite clearly that the Japanese practice of "massing" their votes for favorite candidates, had the effect of giving the Japanese control for no candidate opposing Japanese policy had any chance of election to the Municipal Council. The Japanese are convinced that Great Britain is a declining power and that British influence is passing in the Orient. Any Britisher who thinks British subjects or the British Empire may benefit by supporting Japanese policy will be sadly disillusioned, for when the Japanese gain control the benefits always go to the Japanese exclusively.

Fukien Post Offered to General Chiang Kwang-nai

A Nanking telegram states that the chairmanship of the Fukien Provincial Government has been offered to General Chiang Kwang-nai, Director of the Foochow Pacification Headquarters and former Commander of the 19th Route Army. The appointment will be made at the next meeting of the Executive Yuan if the General agrees to take up the post.

General Tsai Ting-kai, who arrived in Nanking last week from Foochow to consult the Central Government regarding political and military affairs in Fukien, has been exchanging telegrams in Nanking with General Chiang Kwang-nai in Hongkong, on behalf of the Central Authorities.

League Enquiry Commission Signs Report, Departs for Europe

THE League of Nations Commission, headed by Lord Lytton, which has been investigating the Manchuria situation, completed its report on Thursday afternoon, September 1, the report being unanimous. A few final corrections were made in the evening and the typing staff worked all night to get the final copies ready for signature. The formal signatures were affixed on the morning of September 4 at the German Hospital in Peiping, where Lord Lytton had been a patient ever since his return from Japan. The report is an exceptionally voluminous document. The utmost secrecy as to the contents of the report has been maintained, and the contents of it were not communicated either to Japan or China. Two sealed copies were left behind to be opened on the same day and at the same hour as the report is released in Geneva. Each copy bears five signatures. A telegram from London stated that the report will probably not be considered at the forthcoming session of the Assembly of the League, but instead a special session will probably be called during November to deal with it. The report having been signed, Lord Lytton and party boarded one of Marshal Chang Hsueh-liang's private tri-motored Ford planes for the journey to Shanghai, arriving here shortly before four o'clock. In addition to Lord Lytton, there were on board General McCoy (American delegate) and Mrs. McCoy, Count Aldrovandi Marescotti, Herr von Kotze, M. Charrere, W. Astor, Lieutenant Biddle, and W. H. Donald. Among those who conferred with Lord Lytton at the Palace Hotel, where he took up quarters preparatory to sailing the following day, were T. V. Soong, Minister of Finance, and Dr. Lo Wen-kwan, Minister of Foreign Affairs. Lord Lytton, General McCoy and Count Aldrovandi Marescotti, boarded the Italian liner *Gange*, on the forenoon of September 5, enroute for Geneva. Previous reports stated that General McCoy would take the trip via Siberia, but this plan was later abandoned.

Dr. V. K. Wellington Koo, who had been acting as Chinese assessor to the Commission, came down to Shanghai in another plane, having left Peiping considerably in advance of Lord Lytton and his colleagues. Dr. Koo stopped at Nanking and Hankow on the way. At Nanking he received his final instructions in reference to his post as Minister to France. At Hankow he conferred with General Chiang Kai-shek. Count Ciano, the newly appointed Italian Minister, accompanied Dr. Koo on his journey. Dr. Koo was among those who took passage on the s.s. *Gange*. Lord Lytton in Shanghai was besieged by reporters who tried to get from him an inkling of the nature of the report, but he maintained a discreet silence, mentioning incidentally that he hoped some time to be able to return to the Far East in a private capacity and see the scenery and points of interest at leisure.

Interviewed at Nanking, Dr. Koo expressed confidence that the report of the Commission would uphold the cause of right and justice. He pointed out that as the Commission was responsible only to the Council of the League of Nations, neither of the parties to the dispute would be informed of the contents of the report until it should have been submitted to the Council. Dr. Koo was hopeful that the League of Nations would find some amicable means of settling the present controversy between China and Japan. The success of any such measure would, however, he said, depend upon whether Japan would change her present intransigeant attitude and conform to the resolutions of the League. As the Nine-Power Treaty, according to Dr. Koo, was also designed to maintain peace in the Far East, convocation of a Nine-Power conference was one of the possible means of settling the Sino-Japanese imbroglio. Whether there would be any necessity for such a conference would depend, however upon the outcome of the forthcoming League Assembly. Regarding the Japanese recognition of Manchukuo, Dr. Koo said such an act would constitute a flagrant violation of the Nine-Power Treaty and the elementary principles of international law. He expressed confidence that Japan's position in Manchuria brought about by such unlawful means would not be recognized by other Powers.

A high Chinese government official was quoted by the *Central News Agency* as saying that he understood the report passed some strong comments upon the Chinese political and administrative system existing in the North-East prior to the Japanese occupation of Mukden last September and that it proposes to settle the Sino-Japanese question as a whole by centering attention upon an impartial examination of all treaties entered into by the Chinese and Japanese Government.

The other members of the League of Nations Commission of Inquiry, General Henri Claudel of France and Dr. Heinrich Schnee of Germany, together with the Japanese assessor to the League Commission, arrived at Dairen September 5. The party was scheduled to arrive at Changchun on September 8 and hop off from there for Tsitsihar by airplane to take a trans-Siberian train for Europe.

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One of the principal comments made on the League report was that in the prominent London Sunday newspaper *The Observer*, which, basing its opinion on the assumptions that the Lytton report would criticize Japanese policy and that Japan would then withdraw from the League advised those clamoring for "strong action" by Geneva to use their common sense and to recognise the fact that Geneva cannot do anything but accept her own misfortune of Japan's withdrawal. The paper says that undoubtedly Tokyo has embarked on the full object of detaching Manchuria from China and organising Manchukuo as a Japanese annexe. The event, the editorial continues, is to be deplored but the burden of statesmanship is to suggest any workable, constructive alternative. The editorial mentions that the decisive point clearly is that the only Power at present operating in the Far East is Tokyo. The incidental tactical object of the Japan-Manchukuo

protocol clearly is to present the fait *accompli* to Geneva the moment the Lytton report is received there.

One of the most striking threatened complications, adds the Observer, is that if Japan leaves the League of Nations, the three Powers most directly concerned in the fate of Manchukuo (Japan, the United States and Russia) will none of them be members of the League.

The establishment of a branch of the League of Nations in the Orient, for instance, in Shanghai, so as to keep in touch with national activities in the Far East, including in its sphere Japan, China and Soviet Russia, is advocated in a letter to the *New York Times* by Kyugoro Obata, Secretary of the Japanese-American Relations Club of Tokyo. In the course of his letter this Japanese says: "The Manchurian and Shanghai questions have gone into history, and what we would like to know now concerns the future. The Manchurian and Shanghai troubles at times threatened to translate public opinion in the two countries into moods of uneasiness. Many of our differences have been enhanced because of the lack of proper understanding between Americans and Japanese. This is due to the fact that we are not in close touch with one another in everday life. We should, therefore, have some kind of agency or instrumentality which help the people of the two countries to keep posted on political, social and economic matters, both in Japan and in the United States and also in China. China certainly has brains enough, courage enough, and that degree of tolerant spirit to discuss troublesome questions, with Japan similarly qualified. When America with her characteristic aptitude for justice and humanity intervenes in friendly fashion between the two countries, it seems to me that triple harmony can be established to the highest benefit of the countries concerned."

Japan Will Recognize Manchukuo on September 14

JAPAN will formally recognize Manchukuo on September 14, according to a telegram from Tokyo September 6, which stated that the plans to that effect had been discussed at a meeting of the Cabinet Council on that date. It was announced that immediately upon the recognition of Manchukuo, Count Uchida, the Premier would issue an announcement to the world declaring that the independence of Manchukuo will greatly contribute to the peace of the Far East and that the cooperative action of Japan and Manchukuo is absolutely necessary from both the historical and geographical points of view. Whether Japan's action in this respect, or whether any action to be taken subsequently by the League of Nations will eventually result in the withdrawal of Japan from the League remains to be seen, but if Japan takes such a step she will probably have in mind that she will then merely be in the same position vis-a-vis the League as are the other two countries who are most vitally interested in the future of Manchuria, namely America and Russia, which are not members of the League either. Tokyo newspapers profess confidence that both Russia and France will follow Japan's lead in extending recognition to Manchukuo.

Questioned concerning the recognition of Manchukuo by Japan, Wang Ching-wei, in an interview at Shanghai September 4 declared that such a move would not in any way affect the National Government's determination to recover the lost territories in Manchuria. In fact, if such recognition should have any effect at all, it would make the Government's determination even firmer. Mr. Wang added that China's stand vis-a-vis the Sino-Japanese situation has been defined and clarified by Minister Lo Wen-kan, in his recent speech, in a manner which should be clear and unmistakable.

Unmindful of Japan's plans regarding the future of the Three Eastern provinces, the Chinese Volunteers, unceasingly referred to by the Japanese as "bandits" and irregulars," continue to make things hot for the Japanese, even at their principal stronghold, Mukden, where a tense situation still exists. The Japanese authorities at Mukden have issued a proclamation threatening death to rumor mongers. A Peiping telegram September 6 stated that the Volunteers were making special efforts to anticipate the recognition proclamation by making another raid on Mukden, somewhat similar to that which they staged upon the arrival of the new dictator, General Muto, about a fortnight ago. Chinese messages reported that large bands of irregulars, who have been operating along the Mukden-Haicheng railway, are now advancing towards Mukden from Yinpan station. At the same time the Volunteers in other districts are preparing to launch a fresh attack, which is also expected before the recognition of Manchukuo.

Chinese reports state that the Japanese and Manchukuo authorities have divided the suburbs of Mukden into four emergency districts, one extending from the East City to Tungling and another from Nanyaokang to Hunho. The third district is stated to extend from Huangkutun to Masangchiatse and the fourth from Peitaying to Wenkuantun.

A unique situation is reported in a Harbin telegram of September 6 which stated that a party of Chinese volunteers who had been holding Weishaho, 20 miles east of Imienpo, against the Japanese got a surprise the previous day when they were attacked by 2,000 Chinese Irregulars. It is not known to whom these irregulars owe allegiance. The overwhelming number of attackers drove the Volunteers out of the railway settlement into the Chinese city. There the volunteers barricaded themselves in the electric light station and in an adjacent alcohol factory and they successfully withstood ferocious attacks for some hours until a Japanese detachment arrived from Imienpo. The Japanese dispersed the irregulars, who fled in all directions and then the Volunteers also had to flee as they were in no state to resist an attack from the Japanese. Japanese troops are reported to have found 200 Chinese dead, most of them apparently belonging to the irregulars. Russian newspapers in Harbin printed reports from Imienpo stating that as a result of the battle a thousand houses in Weishaho have been burned.

Meanwhile, a Japanese detachment which recently captured Antachan on the western C.E.R. is not holding it unmolested. A message by telegraph to Japanese military headquarters in Harbin September 6 reported that early that morning a body of 1,500 Chinese troops had launched an attack on the town and severe fighting followed. Eventually the Japanese beat off the attack.

Six high officials of the Fushun government, all Manchukuo nationals, were arrested by Japanese gendarmes September 5 and are under rigid investigation, as the result of rumors of an alleged plot to facilitate an attack by irregulars upon the Fushun coal mine and railway zone.

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Despite numerous reports during the past few months that General Ma Chan-shan had been killed, there is every evidence to indicate that the redoubtable hero of Nonni River fame is still very much alive. It is reliably reported that at an undisclosed place between Taheiho, the provisional seat of the Heilungkiang Provincial Government, and the front, General Ma Chan-shan last week held a special military conference which was attended by his subordinates, Generals Wu Sung-lin, Hsu Tse-hao, Po Ping-san, Teng Wen and Nan Ting-fang.

Reports reaching Peiping during the week indicated that the Heilungkiang troops and the Volunteers are being supplied with provisions by the people. They are, however, badly in need of ammunition and other military equipment. After a 24-hour engagement with the Japanese, 4,000 Heilungkiang Volunteers recently captured Chingcheng, north-east of Suihua, which is on the Hulan-Hailun Railway. They then headed south westwards for Suihua where they clashed with 3,000 Japanese defending the city. General Ma Kuei, son of the General Ma Chan-shan, arrived in Nanking September 4, to report to the Central Authorities the latest developments in the North-east, at the same time submitting to them his father's plan for resistance against the Japanese in Manchuria, which necesarily involves the expenditure of money.

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About 500 Chinese Volunteers launched a second attack on Mukden shortly after midnight September 1. The first group attacked Tanan-men (Great Southern Gate); the second assailed the Arsenal on the eastern outskirts while the third assaulted the Tapeimen (Great Northern Gate) advancing from the Mukden station of the Shenyang-Hailung Railway. Entering the city, Volunteers clashed with the local Japanese garrison troops and the Manchukuo peace preservation units. Fierce fighting ensued. The Chinese withdrew at dawn but not until they had inflicted heavy casualties on the enemy and done extensive damage to the Arsenal. A Peiping telegram stated that the recent attacks on Mukden are definite manifestations of the attitude of the people of the North-east towards the Japanese declaration that Japan will shortly recognize Manchukuo. So long as the Japanese military continue their aggressive actions, so long as the Manchukuo government exists, and so long as the lost territories in Manchuria are not recovered, further attacks by the Volunteers will be carried out.

A Peiping telegram September 4 stated that the situation of Jehol is becoming tense in view of the impending invasion by the Japanese. The Japanese military are busy transferring troops along the Chinchow-Chaoyang branch Railway and their airplanes are conducting frequent demonstrations across the Jehol border. The invasion of Jehol it is believed, will be effected by the Japanese in the name of the Manchukuo government. The puppet Manchukuo units will act as vanguards for the Japanese army. Preparations are now under way for a large-scale movement as it is announced that Jehol will be attacked from three separate routes. A Peiping telegram intimates that the invasion is planned to start soon after the formal recognition of Manchukuo by Japan.

The Manchukuo Government, in the name of Shieh Chieh-shih, Minister for Foreign Affairs, despatched a "warning" in strong terms to the Nanking Government from Changchun September 2 against the continuous activities of lawless elements in the district of Jehol, which threaten peace and order in Manchukuo. The Manchukuo note declares that should the Nanking Government leave the situation as it is, "the Manchukuo Government would take drastic measures in the future and the Nanking Government should be responsible for any consequence from it."

General Honjo, commander-in-chief of the Japanese forces in Manchuria for the past year, who sailed from Dairen for Japan, September 1, before leaving addressed a note to the Japanese in Manchuria and another to the people of Manchuria. In the message to Manchukuo General Honjo enunciated more of the usual Japanese twaddle about "the birth of Manchukuo being the spontaneous crystalization of popular sentiments fostered for scores of years and only quickened by the Manchurian incident," and, "if the peoples of Manchukuo and Japan co-operate I am sure they will be able to accomplish the object for which they are striving, namely the complete founding of Manchukuo."

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The Japanese Story of Manchurian Raids—Admit Losses

In the House of Representatives at Tokyo September 1, Lieutenant-General Araki, Minister of War, made the following report on the military situation in Manchuria:

"The Japanese troops in Manchuria have had not a little difficulty in the suppression of bandits in view of the large expanse of land, its geographical and climatic conditions. As a whole, the Japanese forces concentrated their efforts on bandit suppression in North Manchuria—especially the 14th Division engaged in the annihilation of General Ma Chan-shan's forces. General Ma Chan-shan, after escaping from Peiho, was reported killed July 29 in a battle northeast of Harbin. In South Manchuria, there had been a recrudescence of activity by the "Big Sword Bandits" and the remnants of General Chang Hsueh-liang's army from the middle part of July to the middle part of August. The cases of bandit disturbance numbered 24 in Mukden Province and 15 in Kirin Province. Their activities, however, have been greatly exaggerated in the newspapers. The strongest body was composed of some 500 bandits and the smallest by some 50. On the night of August 28, about 250 bandit soldiers attempted to attack Mudken but most of them were repulsed by the Japanese guards. Only a part of them attacked the airdrome there and destroyed by fire 13 airplanes which were captured from General Chang Hsueh-liang's army. On the night of August 31, another party of bandits, some 100 strong, again attempted to raid Mukden, but no damage was done. The Japanese troops refrained from taking any definite steps to suppress General Chang Hsueh-liang's agents in any part of Jehol, having in mind the viewpoint of international relations. The Jehol problem, however, is expected to be satisfactorily settled in the near future. The bandits in the Chientao district will also be crushed soon by the activities of the Japanese garrison forces. The present numerical strength of the Japanese forces is sufficient to cope with the situation."

Chang Tsung-chang Is Assassinated Out of Revenge

General Chang Tsung-chang, former Tupan of Shantung under the old Peiping regime, was assassinated at the railway station at Tsinan at half past six September 3. Arriving at the station at 6.20 p.m. the day previous the exwarlord intended to return to Peiping by the 6.40 train No. 202. He was being seen off by General Shih Yu-san and some of his former lieutenants. While standing at the station platform bidding his friends farewell, the general was confronted by two men with drawn pistols.

The late Marshal Chang Tsung-chang

The general fled along the station but was shot down by the assassins. He received four bullet wounds, and soon after succumbed while being conveyed to hospital. One of his lieutenants was also killed while another was injured.

The two assassins, named Cheng Chi-cheng and Chen Feng-shan, were instantly arrested by the railway guards. Upon being questioned, the former stated that he was avenging the death of his father, the late General Cheng Chin-sheng, former cavalry divisional commander of the Kuominchun who was shot to death by General Chang Tsung-chang at Tsinan in 1927. In addition to the two assassins, another suspect named Chen Chien-min was caught. All three have been handed over to the gendarmerie.

Interviewed prior to the unfortunate incident, the late General Chang Tsung-chang said, according to *Kuo Min*, that he had come to Tsinan from Peiping the previous day and intended to return to his native home at Leichow. Owing to the disruption of traffic on the Chefoo-Weihsien motor-road by flood, and in view of the serious illness of his aged mother, he decided to return to Peiping at once.

With regard to the present national crisis, he urged that a united front should be presented. He also disclosed that during his stay in Japan last year, the Japanese had offered him 3,000,000 gold yen and 20,000 rifles to create trouble in Manchuria. He had spurned the offer and returned to China openly in order to show his sincerity and loyalty as a Chinese citizen. Incidentally he promised to effect a settlement of the Shantung banknote liabilities incurred under his regime.

Thus has come to an end the career of one of China's most colorful, not to say notorious, warlords. He was a man of massive frame and imposing appearance, commanding respect more through his physical than his mental qualities.

The late Marshal Chang Tsung-chang was born in Shantung in 1881. He first came into prominence by fighting on the Russian side during the Russo-Japanese War; when the Republican 1911 Revolution broke out he organised the first force of Manchurian troops to be dispatched to Shanghai to attack the Shanghai arsenal. After establishment of the Republic, he was transferred to Nanking with his troops as commander of the 3rd division. After the 2nd revolution his troops were stationed at Hsuchow for bandit suppression. He was adjutant to ex-President Feng-Kuo-chang in 1917, and held various positions until 1924 when as commander of the first Fengtien army he was the first to enter Tientsin and Peking after the defeat of Wu-Pei-fu. He served under Lu Yung-hsiang when the latter was Pacification Commissioner for Kiangsu and Anhwei in 1924, defeated Chi Hsieh-yuan, then Military Governor of Kiangsu and occupied Shanghai for the Fengtien Forces in 1925. He was created a Field-Marshal in 1925 and served as military governor of Shantung from 1926 to 1928, when he took sides against the Nationalists, was defeated, and retired to Dairen. Since then he had lived under the Japanese flag except for occasional visits to China.

A Peiping telegram states that a special pardon is being sought for Cheng Chi-chen, who killed General Chang Chung-chang on the station platform at Tsinan. His assassin is being hailed by the Chinese papers in Tsinan as a great revolutionist who has upheld the honor of Shantung in committing this act of vengeance.

Sale of Peiping Palace Valuables Causes Uproar

Peiping is being rocked by a scandal in connection with the sale of valuables belonging to the Peiping Palace Museum. It is alleged that a large shipment of such relics is destined for Shanghai and Hongkong where they are to be used as security for a loan of thirty million dollars.

In a joint telegram to the Government at Nanking, prominent Peiping educationalists headed by Chen Yin-kue of the Peiping National University September 1 stated that according to reports, these exhibits are being packed up under the pretext of preparing for an emergency. While ostensibly the relics are to be transported to the interior for safe-keeping, they will be actually shipped as above stated, Mr. Chen and his colleagues charged.

Details of the sale of gold valuables from the Peiping Palace Museum were disclosed by the Custody Committee of the Museum September 3.

According to this announcement, altogether $388,140.54 was realized from these sales which were made on July 23, 29 and August 12 respectively. On the first date three lots were sold at the rate of $105 per tael, bringing in $76,905.-24; on July 29, six lots, at $106 per tael, bringing in $76,-905,24; on July 29, six lots at $106 per tael realising $212,-208.17; and on August 12, nine lots, at $102.10 per tael, realising $99,027.13.

In reply to questions put by the Peiping District Chamber of Commerce, the Custody Committee explained that all gold articles sold belonged to the period since the reign of Emperor Hsien Feng (1851 to 1861) and were of no artistic value. Moreover, definite instruction in this regard had been obtained from the National Government and special regulations drafted to govern their sale.

Turning to the packing and storage of the relics of the Museum, the Custody Committee declare that the construction of a vault is the minimum protection needed for these valuables under existing troublous conditions. Permanent measures for their preservation had been sought from the Central Authorities and it was to be regretted that they said these actions should arouse the suspicions of the public and be the cause of groundless rumors.

It is reported that Yi Pei-chi, Chairman of the Custody Committee, in an interview at Nanking declared that besides the gold artieles only perishables like tea, silks, snuff powder, etc. were sold. The proceeds obtained, he said, go to the reserve funds of the Museum for its upkeep and maintenance.

Portland Businessmen Promote Oregon Produce Here

Arthur J. Farmer, Manager of the Maritime Commerce Department of the Portland, Oregon, Chamber of Commerce spent several days in Shanghai last week investigating the local market for Oregon produce including fresh fruits, vegetables and dairy products. Mr. Farmer traveled to China on the first ship containing refrigeration equipment to be dispatched to these shores by the States Steamship Company of Portland. Mr. Farmer was the guest of honor at a luncheon held at the American Club by L.R. Schinazi, local agent of the company on Saturday, Sept. 3 at which Oregon products were served. More than fifty guests were present. In a talk at the luncheon, Mr. Farmer stated that a number of leading businessmen of Portland interested in Oregon products were making plans to enter the Shanghai market, the products consisting of fresh fruits, vegetables and dairy products. Talks also were made by Mr. Schinazi and Julean Arnold, U. S. Commercial Attache. Mr. Farmer, who was accompanied by Mrs. Farmer, departed early this week for South China and Manila. The new boats which the States Steamship Line will place on the Pacific run will operate from Portland to Japan and China and then to Manila from which city they will return to the Pacific coast. The boat will have limited capacity for passengers in addition to freight space.

Shanghai Purchases a Multiplicity of American Products---Interesting Details

BY J. C. HUSTON
U. S. Consul at Shanghai

SHANGHAI importers of American products—other than such materials as raw cotton, petroleum products, tobacco, and lumber—are finding competition more difficult than at any time since the termination of the World War. An adverse factor of great importance to this trade was the decision of America's principal trade competitors, Great Britain and Japan, to abandon the gold standard, thus making it possible for their trade representatives in China to underquote importers of certain lines of American goods by anywhere from 15 to 50 per cent. A second factor of nearly equal importance is the low price of silver, which makes of China today, more than ever, a price market.

Rapid Growth of Local Industries—Foreign Trade-marks Widely Imitated

Under compulsion of recent conditions, the development of local industries in China has undergone an abrupt and extraordinary expansion, resulting, in so far as local manufacturers are able to meet local demands, in the exclusion from local consumption of a considerable quantity of American and other foreign products. For example, three plants were established in Shanghai during 1931 that eventually will result in the local manufacture of bakery and confectionery goods, pressed steel cars, and phonograph records, all articles which now hold an important place in the list of American exports to China.

Coincident with this growth of local manufacture has followed the wholesale imitation of well-known and highly advertised trade-marks of foreign, and particularly of American, manufactured package goods. As these imitation brands appear, import of the original products suffers a corresponding decline. Imitated brands find a ready market because of their lower price, and, in some instances, it is even possible that the spurious marks gradually will push the genuine package goods completely off the China market.

Certain American Products Greatly in Demand—Sales Expansion Believed Possible

However, while several of the larger items of Shanghai's import trade such as textiles and coal, present little encouragement to American exporters, a great quantity of other American articles assumed first place in Shanghai's imports during 1931. The bulk of these consisted of raw cotton, petroleum products, leaf tobacco, automotive lines, lumber, building material and fittings, and airplanes. Other items in which imports from the United States were in the majority included gum resin, photograph and cinema material, sewing and kitting machines, safes and strong-room doors, typewriters and calculating machines, fountain pens and stationery, playing cards, printing ink, shooks for casks, currants, raisins, and fresh fruits.

In addition, still other products of American manufacture clearly offer possibilities of successful competition. It is realized, of course, that price is a deciding factor, but, backed by aggressive salsemanship and with the popularity and good repute of American goods, it is believed that sales of many articles can be expanded materially. Without attempting to enter into minute details regarding Shanghai's varied imports from foreign countries, a brief description is given below of the items that are considered of special interest to American exporters, with estimates of the import share of the United States in several of the leading lines.

Value of American Products Imported

The value of the principal American products imported into Shanghai in 1931 follows.

Value of American products imported into Shanghai in 1931

ITEM	VALUE
Airplanes and accessories	$ 970,760
Indigo, all kinds	1,277,004
Aniline dyes	510,860
Resin gum	173,607
Chemicals and related products	205,830
Medicinal and pharmaceutical preparations	379,871
Toilet requisites	27,533
Perfumery and cosmetics	124,722
Soap, toilet, and laundry	108,625
Automotive vehicles, accessories and tires	1,055,188
Softwood	4,000,000
Building materials	614,000
Cigarettes	20,875
Leaf tobacco	15,572,671
Raw cotton	35,040,178
Clothing	99,646
Foodstuffs, fresh and preserved, and confectionery	1,573,000
Evaporated milk	226,166
Canned foodstuffs, both meats and fruits, but excluding milk	266,034
Currants and raisins	90,619
Wheat flour	256,359
Wheat	4,000,000
Household stores	129,882
Iron and steel, all kinds	3,327,839
Other metals (aluminum, antifriction metal, brass, and copper, etc.)	737,489
Stoves and grates	145,872
Leather and manufactures thereof	483,532
Machinery, all kinds	1,450,382
Paper, better grades	460,743
PETROLEUM PRODUCTS:	
Kerosene oil	4,000,000
Gasoline	1,651,429
Liquid fuel	693,000
Paraffin wax	764,355
Photographic materials, including cinematographic	752,000

Airplanes, Munitions, and Sporting Goods

The United States supplied the larger share of Shanghai's imports of airplanes and accessories during 1931, other countries supplying only moderate amounts. The opportunities for American planes appear to be very good. While imports of American arms, munitions, and sporting goods were very small, their high quality is well known, and price is apparently their only drawback.

Aniline Dyes, Toilet Requisites, Paints, Chemicals and Related Products, and Soap

Shanghai's receipts of indigo of all kinds from the United States during 1931 comprised about 25 per cent of the total value. Of aniline dyes, the United States supplied from 15 to 20 per cent of Shanghai's total imports. Price concessions, it is believed, would increase greatly these percentages.

Only about one-fourth of Shanghai's imports of glue originated in the United States, but almost all the resin gum was supplied by that country. Of colors, paints, and varnishes, the United States furnishes only small amounts, owing to the factors of high prices and heavy competition on the part of the locally manufacturerd products.

Of toilet requisites the United States supplied only a moderate amount. The cheaper grades of requisites appear to be in greatest demand on the Shanghai market.

The United States supplied from 15 to 20 per cent of Shanghai's import of perfumery and cosmetics during 1931.

Of soap of all kinds, both toilet and laundry, the share of the United States amounts to about 30 per cent of the port's total imports.

Automotive Vehicles, Accessories, and Tires

Imports of motor cars and trucks are predominately American, but the United States share in motorcycles is usually very small, products from European countries apparently being preferred to the heavier American cycles.

Automobile accessories fall largely to the United States, which also holds a leading position in imports of rubber tires for passenger cars and trucks. The American participation in imports of bicycle and rickshaw tires is small.

Lumber and Building Materials

The bulk of Shanghai's imports of softwood lumber and railway ties comes from the United States, but hardwood imports are very small. The United States also supplies a great part of Shanghai's imports of shooks for making casks.

Under the head of building materials are included asphalt—practically all of which comes from the United States; bath-room and lavatory fittings, of which the United States supplies the bulk; casements, doors and gates, gypsum, elevators, plaster of Paris, putty, and roofing—a large part of all these articles originating in the United States.

Cigarettes and Leaf Tobacco

Because of heavier demand of cigarette factories in Shanghai, the market for American leaf tobacco is on the increase, and while imports of American cigarettes have declined, the decrease is more than equalized by increased imports of American leaf. The cheaper qualities of leaf are replacing the former high-priced qualities.

Cigarette imports during 1931 declined heavily from those in the preceding year. The market demand is for cheap cigarettes, and Great Britain seems to hold a monopoly on the production of cheaper brands.

Shanghai imports of American cigarettes declined from a value of $2,848,456 in 1930 to only ¥20,875 during 1931. American leaf tobacco imported during 1931 totaled 146,665,933 pounds.

Raw Cotton—Clothing

Imports of American cotton into China are circumscribed only by competition with Indian cotton, and during 1930 and 1931, owing to the great decline in cotton prices in the United States, imports of American cotton rose to phenomenal figures. British, Japanese, and Chinese mills share in Shanghai's cotton consumption. American cotton, because of its greater staple length and high quality, is a favorite with Shanghai mills. Imports from the United States during 1931 aggregated 324,486,266 pounds.

Only a small amount of clothing is supplied to Shanghai by the United States, largely owing to high prices. Items under this heading comprised mostly haberdashery.

Foodstuffs

In imports of butter the United States share in 1931 was very small, the bulk coming chiefly from Australia and New Zealand. Receipts of evaporated milk declined considerably in value, to only $226,166 from $453,162 in 1930.

Imports of chocolate from the United States are very small, with "coating" chocolate for candy purposes supplied chiefly by Shanghai confectionery manufacturers. Cocoa is also of small importance in American trade.

Confectionery is now being manufactured in Shanghai by a number of concerns, and the markets for imported products are restricted chiefly to foreigners and the more wealthy Chinese. The greater demand of the Chinese masses is amply provided for by locally made Chinese sweets, which are produced at prices defying all possible competition from foreign countries.

The United States appears to be the chief source of supply for currants and raisins. The same is true of fresh fruits, the American products being universal favorites with the general public.

Of fish and fishery products imported at Shanghai, the United States supplies only a small share, although 1931 imports of American dried shrimps showed an increase over the 1930 volume.

Wheat and Flour

In imports of American wheat flour at Shanghai, price alone would appear to restrict sales. During 1931 15,269,485 pounds of American flour were received at Shanghai, a decrease of over 2,000,000 pounds from the preceding year.

Despite the fact that the United States produces such vast quantities of wheat, here again price prevents American wheat from securing a larger share of this trade. During 1931 Australia supplied a value of around $17,000,000 in wheat, against a bare $4,000,000 by the United States.

Household Stores

Of household stores, the United States in 1931 supplied about 30 per cent of Shanghai's total imports. Under this heading are included fruit juices, catsup, olive oil, pickles, boot and shoe polish, metal polish, flavoring extracts of all kinds, table salt, vinegar and other similar minor products—all of which, it is believed, were reduced in sales, owing solely to the price factor.

Iron and Steel, Machine Tools, Hardware, Railway Material

Price figures largely in Shanghai's purchases of products under this heading. In addition, other American metals were purchased, comprising all kinds of aluminum antifriction metal, brass and copper, foil, lead, nickel, tin, white metal, wire netting and gauze, zinc, and a few other metals and minerals.

About 20 per cent of hardware imports into Shanghai originates in the United States, price playing its part in keeping such imports to their present low volume. Machine and hand tools also are imported in small quantity from the United States. Here again price rules the market. However, of Shanghai's imports of locks and padlocks—chiefly of the higher grades—about one-third originates in the United States. American safes and strong-room doors also hold a high place in the Shanghai market.

Of the stoves and grates received at Shanghai, the share of the United States is close to 50 per cent of the whole.

Cutlery and electroplated ware is a relatively unimportant item to American suppliers; and of the scientific instruments and apparatus, including medical, surgical, and optical, the share of the United States is not above 20 per cent of the total.

Steel oil tanks and fittings figure only occasionally in Shanghai's imports, and the United States usually secures a large part of this business. Of casks, drums and cylinders for oil containers and for certain chemicals and gases, less than 10 percent are supplied by the United States.

Largely on account of the higher prices asked, the United States secures only a small part of the business in railway and tramway materials—the demand also being rather sporadic.

Leather and Manufactures

In the line of leather and manufactures of leather, which appears in Shanghai's imports, the United States enjoys a good share of the leather belting, calf and kid skin, and enamelled and patent leathers. The United States also holds a small share in other leather products.

Machinery and Electrical Goods—Telegraph and Telephone Materials

In the line of machinery the share of the United States is not as large as might be desired, other countries offering intense competition in all lines, particularly British electric-power and textile-mill machinery.

A considerable part of Shanghai's imports of sewing and knitting machinery—chiefly the former—comes from the United States.

The demand for telephone and telegraph materials is usually sporadic, but the share of the United States averages about 25 per cent of Shanghai's total imports. The American share in the radio business is much larger, the United States supplying most of the lines under this heading.

Paper and Printing Material

In the paper field, the United States secures only a moderate share of the cheaper grades, European countries and Japan offering lower prices. In the better grades of paper, the United States secures a good proportion of the business.

The United States also supplies most of Shanghai's imports of printing ink, but only a small part of the printing and lithographic material.

Petroleum Products

In the field of petroleum products, the United States easily holds the first position in Shanghai's imports of these products, of which kerosene oil forms practically one-half of the total. Over 35,000,000 gallons of American kerosene were received at Shanghai during 1931. This, however, is slightly under the 1930 volume. Gasoline is the second item of importance in this line, with receipts of 8,993,234 gallons, or about one-half of Shanghai's total imports of this commodity. In the line of liquid fuel, an item of increasing importance in the Shanghai trade, the United States handled 50 per cent of the business, and in lubricating oil and grease the United States supplied 5,676,000 gallons of oil and 1,576,000 pounds of grease, which was practically the whole of Shanghai's imports of these commodities during 1931.

The United States usually secures a good share of Shanghai's business in paraffin wax, imports during 1931 totaling 15,780,000 pounds.

Photographic Materials, Including Cinematographic—Toys and Games

Of cinematographic materials, particularly motion-picture films, it is believed that the United States supplies more than all other countries combined. Of other items, however, a large part is supplied by European countries, chiefly on account of cheaper prices.

Of toys and games, the United States supplies most of the playing cards and a fair share of recreation requisites, rubber balls, and assorted sporting goods and toys.—*Commerce Reports.*

The Importance of Beans in the Economy of Manchuria

(From The Review's Correspondent)

THE Chinese peasant of North Manchuria now faces two alternatives—either to die a slow death of starvation or to turn to banditry. Continuous warfare, set in motion by the Japanese army last fall and intensified in spring and summer of this year, has wrought inestimable damage to the crops. The hunt after the evasive Ma Chang-shan and his followers, in the course of which

One of the by-products of the beanoil industry is the bean cake, which serves as excellent fodder and fertilizer. Japan is by far the greatest importer of this product, Dairen being regarded as the centre of the industry.

the peasantry was held up from the field work in the sowing season, the tramping of fields by roving soldiery, —all have contributed to the misery of the country-side of Heilungkiang Province.

The latest misfortune, heightening the distress of the populace, is the overflooding of the Sungary River, which, according to preliminary reports, has innundated an area of no less than 25,000,000 acres of cultivated land. In enormity the present flood is reported to be equal to the havoc wrought last year by the Yangtsze-kiang in Central China.

In the absense of any detailed information about the crop, laid waste by the present flood, we might surmise that the best part of this year's crop of soya beans, wheat and other cereals of Heilungkiang and Kirin Provinces, has been devastated, and that millions of farmers are left without means of subsistence. Important cities like Harbin, Fuchiatien, Chiamissu and others along the Sungari River, have all been submerged under water, this has also destroyed all the stocks of beans, wheat, kaoliang and other cereals, held up for shipment, not to mention the loss of property, wrought by the furious water.

The Importance of the Soya Bean

Soya bean production occupies a paramount place in the economic structure of Manchuria, being responsible for the comparative well-being of its populace. It constitutes more than one-third of the entire agricultural output of the country; 75 per cent. of the soya bean crop is exported annually; tens of thousands derive their living from the bean oil industry. The collapse of the soya bean production, or the contraction of its exports would mean a disaster to the entire population of Manchuria, since the industry affects literally all sides of life. In that case all the railways would come to a standstill, oil mills shut their doors, farmers lay down their tools and throng to overpopulated cities or turn to brigandage.

The peculiar character of Manchurian farming lies in the fact that the prosperity of peasants depends upon the growth of a single plant, soya beans. Other cereals, as wheat, kaoliang, and millet play only a secondary role, being mainly for home consumption. For the maintenance of the farm, the payment of taxes and other expenditure of prime importance the peasant counts upon the sale of his crop of soya beans. In view of this peculiar character of Manchurian farming, too dependent upon the foreign oilseed market, the slackening of demand from abroad has had a disastrous effect on peasants first of all.

Steady Decline in Export

The movement of exports in recent years might be seen from the following table:—

Years		Quantity	
1928	.. ..	2,219,375	tons
1929	.. ..	2,588,575	„
1930	.. ..	1,705,990	„
1931	.. ..	1,457,300	„

The peak was reached in 1929 after which we see a steady decline. In the face of absence of any reliable information on the loss in crops caused by the flood, it is difficult to surmise what quantity will be shipped abroad this year, but it goes without saying that it will be far below last year. The fall in price was still greater; it fell from £12-2-6 per ton in 1928, to £10-5-0 in 1929,

Soya bean export occupies a paramount place in the prosperity of Manchuria. The export goes via Dairen and Vladivostock, where beans are stored in piles awaiting shipment.

£6-13-9 in 1930 and £5-7-6 in July, 1931, which was probably the lowest price ever had for beans. According to estimates of the Economic Bureau of the C.E.R., Harbin, the loss in value for the year 1930 amounted to Gold $51,065,000 against the exports of the preceding year.

The popularity of soya bean in Europe has been due to the fact that the industry has found in it a commodity for all round use. Oil can be converted by various and diversified handling into margarine butter, salad oil, cooking oil, soap, mayonnaise; the residue, left after the extraction of oil, forms excellent fodder and fertilizer; bean, turned into powder, can be the component part of bread or even of gun-powder. There is perhaps no other universal commodity of such innumerable uses as soya bean; it has been responsible for the growth of oilmilling in Europe, that has attained the highest mark of efficiency in recent years.

However, alarm is being voiced in a quarter that European crushers are giving preference to other oilseeds, notably, cottonseed and linseed, both of which rank next in qualities and prices to soya bean. The popularity of our seed has been due to its cheapness and to the wide range of its uses, but the fall of cottonseed price to £5-0-0, reached last summer, made soya bean not so essential, so many crushers have switched their mills for handling cottonseed as raw material. It is fitting to say in this connection that almost all oil crushers in Europe have their plants adapted to all kinds of oilseeds, which makes them independent of any given oilseed.

This is one of the methods of storing beans in the interior. Elevators are unknown in Manchuria, instead the natives keep the grain in these piles.

Competition from Other Oil Seeds

Besides competition from other oilseeds the position of Manchuria as a single producer is being menaced by development of this industry in other countries. A mention must be made of the United States, which produce soya bean to such extent as not to require any more imports from outside. Luckily, America is not yet a rival in the European market; it, however, does not mean that she will not begin exporting beans in the future. A report has it that a trial shipment, made recently, turned out successfully.

The greatest menace to the soya bean exports lies perhaps in the growing depreciation of its quality. In the first years of the business the seed was being exported in very good condition, free from moisture and foreign materials, but as the business prospered there has grown a class of middlemen who have willfully been adding earth or sand to the seed to increase its weight. The trick could not last long—the crushers found a way to safeguard themselves from losses of this kind.

Roughly speaking it is done through the establishment of a standard of quality for beans of a given month's shipment, each arrival being subjected to a thorough testing. For the failure in quality, which usually is in the excess of moisture, foreign materials, as earth, sand and even nails in the grain, the shipper indemnifies the buyer. In former days the claims for bad quality were made on rare occasions, but lately, namely, within these three or four years, the buyers made it a rule to present claims before the arrival of the goods, that is, when the vessel is yet on the way. By this they safeguard themselves from the possible bad quality of shipment, regardless of expenses connected with testing and subsequent arbitration.

Another phenomenon, detrimental to the business, is the speculative character of deals. Aside from the activities of operators in Europe, the business especially suffers from unwholesome operations of the local exporters and grain firms. The collapse of such important houses, as Suzuki and Co., Soskin and Co. and the Siberian Co., is attributed to their attempt "to corner" the market, when they, unaware of the coming avalanche of prices held enormous quantities of beans in an attempt to force higher prices. Subsequently they fell in the game.

A still greater attempt in that direction was tried in the spring of 1930 by the Manchurian administration of Marshal Chang Hsueh-liang. This was done exactly in the manner adopted by the Farm Relief Board of the U.S., or the Canadian Wheat Pool, namely, the administration caused the treasury to buy enormous quantities of beans and store them for an indefinite period. The bullish sentiment, that followed it, lifted prices a little but in the absence of any real improvement in consuming countries it was shortlived—the lowest price was reached soon.

The Government as Buyer

The upward movement of prices might have gone on a little longer had there been not discovered one of the questionable policies of the financial leaders of the former administration, which consisted in the following. Having no funds for this purpose the administration allowed the governmental banks to increase the issue of Harbin dollar notes by 21 million more dollars with the understanding that the stock should be bought from peasants by way of relieving them from their distress. But the banks did not do this,—they simply bought the stock from their own holdings and or from affiliated grain houses, thus reaping huge profits at the time of general distress. By June 1931 they had 500,000 tons on their hands, which they could not dispose of unless at a loss. Thus the Manchurian administration committed the folly of all other governments which have been trying to influence prices by means of the government's becoming a buyer and seller.

When one views this attempt one cannot but come to the conclusion that the authorities overestimated their own resources; they should have had in view the examples of the United States, Canada, Cuba, Brazil, all attempting to uphold artificially the prices of their basic commodities, but in which they have utterly failed, notwithstanding enormous wealth and first rate leadership in their respective fields. Manchuria, with her limited capital, had better leave the bean to its own course, without any attempt to control prices by the artificially created "pools."

The next factor inimical to the export business, and especially from regions lying on both sides of the C.E.R., might be ascribed to unwholesome competition among various railways. Prior to the construction of Chinese government lines this competition was limited to the two principal railways—the C.E.R. and the S.M.R—, each one trying to direct the flow of cargoes to its own seaport, Dairen or Vladivostok. For the purpose of preventing the beans to going via Dairen the C.E.R. raised its freight for the south bound cargoes, making it Gold Rbs. 8.60 per ton for the distance of 240 km. from Anta to Changchun, whereas the freight for the same cargo from Anta to Vladivostok (550 km.) was made Gold Rbs. 12.23, in other words the south bound freight was rated nearly two times higher for the same distance, notwithstanding the fact that, owing to the mountainous character of the eastern route, the maintenance of the roadbed and rolling stock required greater outlays.

However, to mitigate the competition both the railways, joined in by the third one—the Ussuri Railway—, have managed to come to an agreement, whereby the flow of cargoes was directed evenly to the two named ports. The growth of the Chinese governed and controlled lines, the Taonan-Angangchi, the Tsitsihar-Keshan, the Hulan-Hailung and the Kirin-Hailungcheng railways put, however, an end to this arrangement. All these railways had their freights rated in silver, whereas the C.E.R., the S.M.R. and the Ussuri Railway had their freights effective in gold currencies.. The construction of all these

railways, most of them financed by the Japanese, has had the worst possible effect on the receipts of the C.E.R., for all of them have begun draining grain cargoes from Keshan, Hailung and Mudanzian districts, constituting a granary of North Manchuria, towards the S.M.R. via the Chinese railways.

The Mukden incident of September 18, 1931, and the subsequent occupation of key points of the country by the Japanese army, took place just in the middle of this three-cornered competition among the various railway interests. Needless to say, the Chinese railways were immediately thrown out of gear either by the willful destruction by the Japanese military or by subsequent hostilities along them. At present this competition has stopped entirely, since all the Chinese railways are converted into mere feeders of the S.M.R., whereas the C.E.R. has been brought to a complete standstill by the blocking of the Eastern route by the anti-Manchukuo forces and recent floods. However, it goes without saying that the intense competition among various railway interests in 1929-1931 did its share in the creation of an unwholesome atmosphere around the bean business. Had there been a unified freight policy for all railways, the effects of the depression would have, certainly, been far less disastrous than at present.

Bean Farmers Sell at a Loss

Recently the Economic Bureau of the C.E.R., Harbin, made public the researches conducted in 43 hsiens of Kirin and Heilungkiang provinces, the reading of which gives a gloomy picture of the unspeakable suffering of the Chinese farmers. "Average soya bean crop for North Manchuria in 1930," says the report, was from 3¾ to 4 tan per shan, which makes roughly 50 poods (or 1,800 lbs.). The peasant of Paitsuan district of Heilungkiang Province, that is, living at some distance from the railway line, could realize on February 12, 1930, according to average price computed for the day, 30 Harbin dollars per shan. In fact he could sell only about a third of his crop, which made the receipt to dwindle to about Harbin Dollar 20 per shan. If the farmer was a tenant (which is true for 50-60 per cent of the entire peasantry) he had to pay 1/3 of his crop to the landlord. Thus, the Manchurian farmer has been all these years working at a loss," concludes the report.

In South Manchuria the picture is not better. The *Tah Pei Hsin Pao* as long ago as on April 24, 1930, cited the instances of selling by peasants of their worldly possessions, stating that "no day passes without seeing scores of people standing in line at pawnshops." According to the same paper the interest rate of village usurers rose from "normal" 7-8% per month to 10, even 20 per cent., "driving the poor peasants literally to the wall." It was reported fully two years ago, since which the continuous bad business and still worse, warfare for a full year, have driven the peasants to the inexpressibly grave situation out of which there seems to be no other way than through banditry. Therefore, continuous disturbances all over Manchuria, rampant especially at thus time, have a deeper origin than the mere resentment of the Chinese populace against the Japanese occupation.

Is there no hope for the revival of this business? In the absence of any enocuraging sign from the principal markets the business might be improved only by the adopting of a well planned policy by the authorities and by the full hearted cooperation of all interested circles. It goes without saying that no revival of this particular business can be expected so long as the country continues to be torn up by hostile forces, so long as the peasantry is forced out of its usual pursuits, being driven into hostilities. First thing to do, then, is the pacification of the country in a way satisfactory to the bulk of the population, which—I believe—cannot be othewise but through reunion with China Proper. The Manchurian peasantry, brought to penury and a threshold of open revolt by three years of business depression, cannot tolerate any continuation of hostilities on their plains, and, if the warlike operations continue any longer, it is feared the peasantry will turn to perpetual banditry, blended with communistic tendencies. It is regrettable indeed that the creators of Manchukuo have lost sight of this possibility.

Cheaper Freights Required

If this fundamental condition—the pacification of the country—is brought about then the readjustment of all railway freights for cereals of all kinds and, primarily, soya beans, towards lowering their rates, would do a great deal to help the business. It means that it is absolutely essential to stop the unwholesome competition among various railways, replacing it with freights, beneficial not only to the railways but to the populace as well, The greatest blunder of various railways in Manchuria has been the hunt after fabulous dividends, sacrificing the interests of the people at large. This should be stopped; cheaper freights should be the goal of the day.

Next, any attempt to hold a monopolistic position in this trade must be discarded. Soya bean business is too great to be controlled; bigger prices, and, consequently, fabulous dividends cannot be gotten by administrative interference in the business; the sad experiment of 1930 should always be borne in mind as an experiment never to be tried again. However, there comes a report that the Manchukuo regime, instigated by the Japanese, is trying to oust the two most influential exporters from the local market by the means not very honest, to say the least. We mean the recent case with the Wassard and Co. (Danish concern) and L. Dreyfus and Co. (French concern), both of Harbin, and which are being accused by the Manchukuo authorities as having active communist workers among their employees. It happens also that one of alleged communists, a member of Wassard and Co., is secretary to the Danish consul at Harbin.

However, nobody believes in the veracity of this affair, regarding it as an attempt to oust both these firms out of the Manchurian market. There is not the slightest doubt that, were these firms to go, their places would be occupied by the Mitsuis and the Mitsubishis of Japan, or the prime movers and financiers of the whole Manchurian affair. This is, certainly, an attempt to monopolize the market and should, therefore, be discarded as an attempt doomed to failure.

Other measures, beneficial to the trade, and consequently to the whole country, would be:—

(1) Improvement of the seed itself, so that only the best quality cargo would go abroad. In this respect the seeds, developed by the agricultural stations of the C.E.R. and the S.M.R., are most desirable. Means should be devised so as to distribute these seeds among the bulk of the peasantry.

(2) Revision of landownership, for the majority of peasants have no land at all and pay enormously high rents. Unless this problem is solved satisfactorily it is certain Manchuria will have no end of social troubles.

(3) Encouragement of other than soya bean seeds, which would make the country less dependent upon the oilseed market alone, especially erratic and unwholesome at the time of economic depressions, or political upheavals.

The last but not the least advice would be the adoption by the Government, merchants and by all non-peasant classes of a more human attitude towards the poor, filthy and hardworking peasant so that he would also see the light of the day, as we do. The less exploitation of him, the richer he will be, which in the long run means prosperity. There is, however, very little hope that everything will go as wesired, for Manchuria is awaiting a rush of new pathfinders from the Island Empire, whose aim is not hard work on the farm from morn till night, but the exploitation of that hard working being, generally known as the Chinese peasant. It is a folly to expect that the Japanese farmer will be working on the farm; nay, he will be bossing over there.

Changchun, August 25, 1932.

Japanese Trade, Figured in Depreciated Yen, Improves

According to an announcement made public by the Finance Ministry at Tokyo August 31 Japan's foreign trade during the last 10 days of August resulted in an excess of export to the approximate amount of Yen 30,756,000. The export during the period was Yen 55,840,000, while the import was Yen 25,084,000. The total amount of the excess of *import* since the beginning of this year is put at something like Yen 159,762,000.

National Flag Is Raised on Newly Constructed Gunboat "Ninghai"

A flag raising ceremony was held at the newly constructed Chinese cruiser *Ninghai*, at the Kiangnan Dock, near Shanghai, September 1, incidental to the installation of Captain Kao Hsien-chung as captain of the vessel. Rear Admiral Chen Chi-lang, Vice Minister of the Navy, in a brief speech urged the responsible naval officials of the new gunboat to attend loyally to their assigned duties.

The Anti-Civil-War Conference

BY PAUL K. WHANG (汪仲芳)

IT is a strange conicidence that when the International Anti-War Congress had its session at Amsterdam, more than four hundred delegates representing 401 public bodies and 1,075 individuals of every walk of life throughout China and coming from more than twenty different provinces and municipalities were gathered in Shanghai on Aug. 27 and 28 at the first Anti-Civil-War Conference in the history of the Chinese Republic. At the Conference, proposals of checking civil war were studied and discussed, and a National Anti-Civil-War Federation was formally established with the appointment of a standing executive committee which will have its office at Shanghai.

In the wake of the Japanese invasion of Shanghai last spring, the local civilian leaders realized that China's ultimate salvation lies in permanent peace and unity. Prompted by this revelation, they have since taken the lead by issuing circular telegrams calling the attention of the nation to the futility of civil war and urging the civil and military leaders to unite for a common purpose of internal peace. Their appeals have been heartily responded to by civilian leaders of other cities in the country, thus resulting in the present nation-wide anti-civil-war movement.

While we may doubt the strength of this movement as an effective weapon to check or outlaw civil war, it, nevertheless, can not be denied that the time has dawned when Chinese civilians, or a section of the Chinese populace at least, will no longer remain indifferent in their attitude toward the mis-management of their government by the self-centered military leaders, who have literally bled the country white and plunged it into such a chaotic condition that it can not stand on its feet to resist foreign invasion. The present spontaneous movement and its nation-wide support eloquently bespeak of the public dissatisfaction with the existing political conditions, and also constitute a challenge to the present government leaders that they can not be trusted to form a stable government within and resist Japanese invasion without. This dissatisfaction of the political conditions and lack of confidence of government leaders have driven the patriotic leaders of the Chinese public to seek their own means of China's salvation.

Difficulty of Securing Support from Masses

It must be said that this movement would have far-reaching consequences in a country where the public opinion is strong and the public support can be easily secured through the broadcasting of speeches and dissemination of literature. But in a country like China where illiteracy rules over the population and the outlook of the common people is confined to the domestic sphere, the difficulty in securing some support from the masses can be easily imagined, no matter how vigorously and extensively peace literature is disseminated among the masses in regard to the evils of civil war.

The chief problem confronting our peace leaders is to devise some measures which will prove effective enough to check the recrudescence of civil war. The program which they have propagated includes the Anti-Civil-War Pact which will be signed by as many leaders of the country as possible with the following pledge, "I solemnly pledge to work hard for the reconstruction of New China, to neither support nor take part in any civil war, and to do my best to stop it;" non-cooperation toward those who threaten or destory national peace; reward for leaders of peace and reconstruction by adopting a method similar to the Nobel Prize offered by Sweden, or the Hall of Fame in New York City; and peace education which aims at the teaching of youths and adults of the country regarding the horrors of civil war and the importance of national peace and unity.

Not Effective Enough

This program, though admirable it is, can not yet be considered as effective enough to produce desirable results. Pledges made to the Anti-Civil-War Pact will be as easily broken as those made to the same pact among the nations. Driven by public sentiment, the military leaders of the country, in order to curry the public favor and pose as leaders of the people, may append their signatures to the Pact, but it is exceedingly doubtful whether they will observe the sanctity of the Pact as much as the aggressive nations will bind themselves upon the international agreements.

Bankers may refuse loans, and industrialists and merchants may refuse supplies, but non-cooperation toward those who threaten or destroy national peace still lacks practial value, unless the soldiers themselves refuse to be made the personal tools of peace-violators. Moreover, our past experience has told us that it will involve a great risk to the lives and properties of the bankers and merchants who dare to raise a cry against the exactions of the military leaders. So long as the military men have soldiers under their command, the people can not rely upon the weapon of non-cooperation to defy the greedy militarists.

As to the reward for leaders of peace and reconstruction, the idea is an excellent one, but it must be noted that to the selfish military leaders, the honor of receiving a Chinese Nobel Prize or to have one's name recorded in the Chinese Hall of Fame may not prove as alluring and attractive as personal wealth and power. Only men of high sense will cast a covetous eye upon the intangible value of honor, while to most of the military leaders who have placed the personal interest above the national welfare, the word "honor" has long lost its meaning.

In regard to peace education, it goes without saying that public support to the movement can not be secured unless the youths and adults of the country are taught the horrors of civil war and importance of national peace. But in view of the overwhelming illiteracy of the masses and the lack of transportation and communication facilities, an immediate response to the movement can not therefore be expected. The movement can not be turned into an effective weapon to outlaw civil war, unless the Chinese masses including peasants, workers, and soldiers be fully acquainted with the evil consequences of civil war, and give spontaneous support to the instrument aiming at the preservation of a permanent peace.

In view of the above discussions, we can easily appreciate the difficulties confronting the peace leaders in devising some measures of practical value. Without effective measures at its disposal to preserve peace, the National Anti-Civil-War Federation will lose its *raison d'etre* and die a natural death.

Several Suggestions

By way of suggestion, I deem that while we should encourage those leaders of peace and reconstruction by conferring upon them the highest honor we can conceive, we should in the meantime adopt some drastic measures to condemn the enemies of peace and traitors of the country. In ancient Greece, the undesirable elements of the society were banished by the votes of the people written on earthenware tablets, or oyster shells—the process known as ostracism. This process with some modifications can be adopted by us in dealing with the peace-violators. In big cities such as Shanghai, Tsentsin, Peiping, Canton, Hankow and many others, big stone tablets should be erected in the public places, and the names of the peace-violators should be indelibly engraved in big letters on these tablets. Once the traitor has his name engraved on these infamous monuments, he should be forever ostracised from society: His property should be confiscated and his rights as a citizen should be forfeited. Every human being wants to save his "face", and even robbers and thieves will not acknowledge themselves as such before the judge, if there is no prima facie evidence against them. Naturally peace-violators can not be proud of having their names impressed on public monuments in big cities only to be denounced by the people of the present time and of the future generations. Honor may not appeal to the psychology of many of the military leaders, but infamy together with its stigma to the family will to a certain extent check the wide dreams entertained by the would-be peace-violators.

Besides seeking measures to prevent the recurrence of civil war, we should go one step further to try our best to remove the root of our troubles. So long as the military leaders maintain big personal armies under them and usurp the political power of evil administration, the curse of militarism is always there, although the conflict among the military men may be kept in abeyance. To relieve China of militarism once for all by one supreme effort, we should demand various military leaders to relinquish their control of civil administration and hand back their soldiers to the central government. With the working up of the public sentiment against militarism and civil war, there is no reason why the task of eliminating the evils of militarism can not be successfully performed.

We take the present opportunity of congratulating those peace leaders on their noble endeavor in giving China permanent peace and national unity. Their efforts may not be immediately repaid with success, but if they can only be persistent in popularizing their movement among the massess, the ultimate success will be theirs. They have sown a worth-while seed which properly nurtured will bear fruit in the end.

Shanghai, September 5, 1932

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The Japanese Farmers Pay the Bill

BY HARRY PAXTON HOWARD

A Tokyo telegram dated September 3 stated that both Houses of the Japanese Diet had passed the Supplementary or Emergency Budget, which was introduced by Mr. Takahashi, Minister of Finance, on August 25. It provides for a sum of Y.176,000,000 for the relief of distress in the rural districts to be raised by public loans. The proposals do not satisfy a section of the Seiyukai Party, but opposition has not proved strong enough to prevent the Government measure from being passed, though demands have been made for a much larger expenditure.

THE reports of increasing distress among Japan's farmers, and their desperate demands for relief, are the consequence of many years of growing difficulty. Japan's imperial expansion, military and commercial, has involved terrible burdens, which have rested ultimately on the backs of the Japanese peasantry. A year ago the situation was already serious. In utter disregard of this, however, the Japanese militarists launched the campaign which has involved already expenditures of hundreds of millions of yen, until the government has thrown up its hands in despair and said simply that there is no more money, and people who talk of further increases in taxation are simply paving the way for Bolshevism.

Japan has now extended its power over China's three eastern provinces, and is threatening to move into Jehol as well. And yet, with the occupation of this enormous territory with its great natural wealth, the yen today is practically on a par with the Mexican dollar. A year ago, before the Manchurian occupation began, the yen was worth more than two Chinese dollars. Today, in spite of the fact that the silver dollar itself has declined in relation to gold, the yen has lost over half its value relative to the silver dollar.

Growing Population

The serious depreciation of the yen, and its effects, call for a special study, but all this is but a part of the critical economic situation of Japan today, a situation which seems bound to become worse with the passage of time. There are a million more persons in Japan today than there were a year ago, and this means a million mouths for whom foodstuffs must be imported (Japan has long ceased to raise enough food for her own requirements) and for whom there is no prospect of employment in industry. Japan's industry is not expanding but declining, and there are hundreds of thousands of unemployed tramping the city streets and the country roads already, in spite of the stimulus given to certain industries by the military operations, and the temporary advantage to exporters in the low rate of the yen, which of course cuts greatly into the cost of Japanese goods abroad. Next year there will be still another million mouths to be fed, and the following year still another million. A first-class war, of course, might dispose of a considerable number of surplus Japanese, but how long could a country in the present economic situation of Japanese carry on a first-class war?

Japan's present position is the direct result of her development in the past half-century, a development some aspects of which have so impressed observers. The population of Japan Proper in 1872 was, in round numbers, 34,800,000. Now, sixty years later, it is nearly 67,000,000. It has almost doubled in these two generations. In proportion to its arable area, it is the most densely populated country in the world.

Achievement or Tragedy?

Much has been written of Japan's growth and internal development, by which today the country supports twice the population of sixty years ago, and most of the population appears to be on a somewhat higher standard of living, as shown by the almost universal use of rice and the going out of use of cheaper grains such as millet, and also shown by such modern improvements as electricity, artificial fertilizers for farm use, etc. But when the situation is looked into more closely, it is seen that it holds far more of menace than of promise. The higher standard of living, indeed, is one of the most dangerous things of all. Men who have acquired new demands and new needs in life, and have lost the old adaptation to a status of propertiless serfs, will not return to their old conditions without bitter resistance. And the present situation is forcing millions into actual destitution.

At the time of the opening of the country, in the middle of the nineteenth century, the population of Japan had been practically stationary for a century and a half. In the lack of more modern methods of family limitation, infanticide was common, just as in China and in other countries under similar circumstances. There were also, at times, serious local famines, communications being difficult between the various fiefs and not encouraged by the authorities, so that there was little hope for relief of one district by another in case of drought. Within the various fiefs, a wise decree of the Shogun early in the eighteenth century had forbidden the subdivision of farms beyond a certain minimum, so that the continual dividing among children until the farm would no longer support a family decently was prevented. Limitation of the size of families was but a natural corollary to limitation of the size of farms, though of course infanticide had existed long before this decree.

The New Developments

Various Shoguns, of course, disliked the practice of infanticide, and there were attempts to stop it, but economic need was stronger than decrees and exhortations on such a subject. After the Restoration, however, new economic possibilities were opened up. The country as a whole was opened to commerce, the old feudal barriers broken down and internal trade developed, railways built, goods brought in from abroad and foreign markets found for Japanese goods, factories and workshops built and great cities constructed. With all the new economic opportunities presented by these developments, there was room for an increased population, and this was strongly encouraged by the authorities. With the extension of a unified authority throughout the country, the suppression of infanticide became increasingly possible, and the steady increase of popular education assisted to spread the government's views on this as other matters.

It was not difficult, indeed, to stop the practice so long as there were new economic possibilities opening up. Mothers do not expose their new-born children, who have already cost them so much travail and suffering, when they do not feel it a matter of terrible necessity. But when they feel this necessity, and they know no better method of family limitation, they resort to this method. It is far more merciful than bringing surplus children up in misery and destitution, to perish of hunger and privation sooner or later. But when new and most promising economic developments are opening up before their eyes, and the authorities are exerting every possible pressure to encourage large families, family limitation may be abandoned for a time. And so it was in Japan, and there was a remarkable increase corresponding to that which which Britain experienced at the time of the industrial revolution there, and Germany and other western European industrial nations later. Similar economic changes bring similar social results in different countries.

Special Advantages

Japan had certain special advantages, for a time, in her remarkable development. She had a fertile country, not yet over-populated, and with a race of subjects schooled during centuries of feudal absolutism to obedience and submission. A group of capable bureaucrats from several clans, samurai who were as accustomed to rule as the commoners were to serve, had the country in their hands and were able to guide their subjects as they saw fit. The development at first was internal, and the "civil bureaucrats" held power through vital decades of radical reconstruction. But the military power grew also, and after a generation of the new development it found itself in a position to strike out on a new line.

This new line was possible because of Japan's extraordinarily favorable position next to a great empire with feet of clay, with neither the powerful central bureaucracy, the military tradition, nor the humble and servile population which characterized Japan, an empire already weakened and humbled by the assaults of western nations, assaults from which Japan was saved largely by her very smallness and poverty. It was from this tottering empire that the Japanese not only gained their first imperial extensions—the Loochoo Islands, Formosa, and Korea—but also the money necessary to put Japan

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on the gold standard. There was little gold in Japan, and with the expansion of the country the problem of her international finance was becoming a more and more serious matter in the nineties. It was solved by taking the money from China at the close of the first Sino-Japanese War. Japan became a "gold" country—with Chinese money. China, of course, remained on the silver basis.

The Anglo-Japanese Alliance

International intervention prevented Japan from holding the Liaotung peninsula at that time. Again, however, the gods were kind to the Island Empire. Britain, as usual, was trying to keep Russia from access to a southern port, and just as a half-century previously she had supported the then "unspeakable" Turk, so at the beginning of the present century she allied herself with heathen Japan against Holy Russia. This situation gave Japan her chance for further expansion, and directly encouraged her war on Russia and expansion on the Asiatic mainland. Japanese military and economic expansion went on, with the aid of foreign loans. Year after year there was a deficit in the trade balance, year after year Japan spent more than she earned, but the development of machine processes in the country, and the appropriation of most of the increased efficiency by increased taxes, permitted the country to carry on, and its population steadily to grow, though the several years following the war with Russia were years of depression, when it began to seem that Japan had almost reached her maximum of development.

Commercially Japan enjoyed special geographical advantages. Her proximity to China gave her a great market close at hand for manufactured goods, and though her own resources were not large (excepting only water-power and a fair supply of coal), her government-encouraged industries were able to make big progress in some lines, particularly textiles. At the same time, government institutes for raising the standard of silk culture were very successful, and resulted in a great export business of raw silk, "private enterprise" China—whence Japan had obtained the knowledge of silk culture—being less and less able to compete. In spite of these conditions, however, Japan's exports failed to reach the size of her imports, and in the years before the Great War she was facing an adverse trade balance of close to a hundred million yen yearly.

War Prosperity

It was at this period of growing difficulty that the Great War broke out in Europe, and Japan found herself almost without competition as a manufacturer in the Far East. Not only did she have open markets in China and India, and even further, with a practical monopoly in some lines, but she was in a position to supply both goods and services to her Allies for proper remuneration. In 1915, for the first time in her history, Japan had a favorable trade balance of over 175,000,000 yen. This was more than doubled in 1916, more than trebled in 1917. Industries were springing up over night. It was impossible to fill the demands for more classes of goods. Prices and profits sky-rocketed. Wages advanced more slowly—until the wave of riots and strikes which swept the country in 1918 put fear into the hearts of Japanese employers and made them give more consideration to their workers.

The war lasted only four years, but those years gave Japan a favorable trade balance of a billion and a half yen, sufficient to far more than balance many unfavorable years which had passed, and if wisely utilized to consolidate Japan's future position. Details of how this temporary surplus was squandered need not concern us here. The central fact is that Japanese industry, Japanese commerce, Japanese militarism and navalism, and the Japanese population continued to grow and take up every cent gained by the purely fortuitous and obviously temporary developments. The manner in which expansion had continued (in spite of intermittent years of depression) over so many decades led to the belief that the new prosperity was a permanent thing, and that Japan could go on indefinitely, expanding her population, her territory, her economic and military activities, and paying twenty and fifty and one hundred per cent dividends to her capitalists.

The Post-War Decade

The end of the war brought the inevitable slump. After some readjustment, however, there was a certain revival. Japan no longer had a monopoly of the eastern markets, but there had been a tremendous amount of de-

struction wrought in Europe by the Christian nations, and the necessary reconstruction absorbed most of their energies, created a big demand for various goods, and left Japan still in a relatively favored position in the East, though of course her economic life proceeded at a far lower tempo than in war-time, and never again did she show a favorable trade balance.

The terrible earthquake and fire of 1923, which took such a fearful toll of life in the congested working-class districts of Tokyo and Yokohama, resulted in an economic boom. More than a billion yen had to be spent by the national government on reconstruction (and relief) in the following years—almost a third as much as was spent on the army and navy. There was a big demand for labor, especially in the earthquake area, and a relative shortage in the cities there owing to the decimation of the workers by the holocaust. This, however, while maintaining a relatively fair employment situation in the country, was done only by increasing Japan's debt abroad, more foreign loans being necessary. From 1923 to 1926 the Japanese government's financial situation, both as regards her own budget and her international position, deteriorated seriously. In 1927 came a financial collapse, and many banks closed their doors, while a moratorium was declared. The government succeeded, however, in patching up things for a time, though an economic decline was evident which became gradually worse with the years, until 1930, when it was evident that the world was in the grip of a growing economic crisis of which no man could see the end.

Just what the war meant to Japan, and the manner in which she has lived beyond her income, is shown by her international financial position. At the time of the establishment of the gold standard, at the close of the last century, Japan had practically a clean slate as regards foreign debts (or assets). By 1913 she had achieved a net indebtedness (i.e., subtracting investments) of Yen 1,223,500,000. By 1919 this had been changed to a net foreign investment (including some loans which were very poor investments) of approximately Yen 1,400,000,000. For the only period in her history, Japan was substantially a creditor nation. Ten years later, however, she was again a debtor, to the extent of Yen 810,000,000. Today she is about a billion yen in the hole.

What It Means to the Farmer

Concretely, what does this all mean to the common people, to the farmers and workers and petty business men and clerks? As for the wage-earners, whether factory workers, common laborers, or clerks, unemployment has become a very serious thing. As for the business man, he sees that "business is rotten," and that there is no promise of relief from oppressive taxation—in proportion to income already the heaviest in the world. But the whole structure of Japanese enconomy rests upon the farmer. How has the period of development, now growing to a close, affected him and his livelihood?

During the half-century following the Restoration the conditions of the farmers may be said to have improved. The extension of modern communications and the unification of currency assisted in marketing, and government educational work, both as regards agriculture and the frequently associated occupation of silk culture, helped greatly in increasing and improving the farm output. Also, a certain amount of new land was brought under cultivation. Factory products came increasingly to the villages, making possible economics in certain lines. In spite, therefore, of increases in taxation, and the steady growth of population, there was probably more advance than retrogression in the country districts, and the extension of popular education represented a cultural improvement beyond anything the peasantry had known before.

The increasing population, however, was beginning to press on the means of subsistence, and by the beginning of the century Japan was already importing rice to make up the deficit in her home production of this staple. The yield per acre had increased enormously, and is now greater than that in China, but the population had increased even more rapidly. The insufficiency of rice resulted in a steady rise in its price, and though most of the profits went to the rice speculators and dealers, some of it dribbled through to the producing farmers, who were able to maintain such new standards as they had achieved, and during the war period to actually improve their conditions.

Diminishing Returns

It was the "war prosperity" which for a time staved off the inevitable decline, and saved the situation for half a generation. The industrial "war babies" drew off considerable amounts of labor, and consumed increasing quantities of rice. It was only during this and the following period, it may be noted, that rice became the universal food of Japan. Until twenty years ago the poorer classes subsisted largely on such cheaper grains as barley and millet, with potatoes also an important element but rice a semi-luxury for the really poor. But the erstwhile prosperity resulted in more and more rice being grown, and less and less of the cheaper grains. The farmers were so prosperous that they were actually able to eat regularly of the rice produced by their endless toil, and intensive rice-farming is the most laborious farming in the world.

But this temporary prosperity only for a time hid the fact that the actual returns from farm labor were seriously and steadily diminishing. The output of rice *per acre* had shown a remarkable increase, but there were more persons on each acre than there had ever been before, and the output *per person* was not higher but lower than it had been. Total production had been increased by putting in far more labor, and in part by bringing under cultivation poorer land, which normally was not considered worth cultivating but, with the encouragement of temporarily good prices and the pressure of increasing population, was now brought into use. Also, artificial fertilizers were increasingly bought and used.

Another thing which hid to some extent the fact of diminishing returns was the development of sericulture. With government encouragement, the production of silk increased several times over in a single generation, and in the forty years from 1890 to 1930 increased by over 700 per cent, this great increase going mainly for export, mostly as raw silk to the United States, this constituting Japan's greatest export. The income from this, and its spread among millions of farming families (previously it had been a rather specialized craft confined to certain localities) was one of the things which contributed most to such improvement as was realized in the conditions of the farmers. It came to rank second to rice in the Japanese farmer's economy.

The Growing Crisis

Concretely, the situation was that the farmer, by utilizing to the full the labor of his numerous family, was able to maintain the family at a somewhat higher standard than previously, during a period of artificial and temporary prosperity which brought high prices for farm products. When this period came to an end, however, the country districts found themselves faced with an increasingly difficult situation.

During the past decade prices began to fall. Had the population been stationary, and free from debt, this need not have been a calamity. But in the time of high prices millions of farmers had borrowed money in order to extend or intensify their cultivation, to purchase artificial fertilizers, etc., and they now found themselves saddled with burdens quite out of proportion to their reduced incomes, made worse by the extremely high interest rates (averaging 11 or 12 per cent) they were compelled to pay on borrowed money. At the same time, population was steadily increasing, and there was now no outlet in the cities for surplus labor, industrial expansion having in the main come to a halt, though severe unemployment was for a while checked by the effects of the earthquake.

In Europe during the past decade it has come to be recognized that the old pre-war society is gone, that a new and most difficult period of economic change and readjustment has to be faced. Japan, blinded by her apparent achievements of half a century, has failed to realize that its period of economic expansion and prosperity has gone,—gone just as completely as has pre-war England. But whereas western Europe, in this most difficult period, has to a considerable extent checked the growth of population and is achieving the relative stability of population so urgently needed, Japan continues to breed as if there were the rosiest of economic futures "just around the corner." The corner, unfortunately, is not yet in sight. But most serious privation, amounting in many districts to actual famine, is a fact. There are millions of Japanese children today suffering from chronic under-feeding—another expression for slow starvation. And each year there are a million new mouths to be fed.

Good Crops and Bad

It is not a matter of bad crops. Years of bumper crops made it possible for the farmers to at least feed their families from the farm—had it not been for the

necessity of paying taxes (amounting to about one-fifth of the farmer's income), interest on loans, etc., with less cash in hand than in "bad" years, as a good crop means inevitably lower prices for rice and distress is inevitable. "Bad" crops mean that the farmer does not raise enough to feed his own family, though prices will be high and farmers in favored areas will be able to maintain themselves and perhaps show a profit instead of a deficit for the year.

But such a profit is rare. A deficit has become the regular thing, and most Japanese farmers are doing business at a loss. Twelve years ago, when the decline was just beginning, the Department of Agriculture and Commerce made investigations of farmers' budgets in forty villages in Japan, and discovered that only the upper strata of the farmers—those who worked their own land, and had a sufficient quantity of it—showed a surplus. The tenants, most of whom also possessed small plots of land themselves, worked at a serious deficit. Further investigations in following years showed without doubt that Japanese farmers as a whole were operating at a loss, and most of them were only saved from actual destitution by subsidiary occupations which brought in nearly a quarter of their total incomes.

Owners and Tenants

It was the tenant farmers who were first to suffer. Paying from fifty to sixty per cent of their crop to the landlord, they found themselves, at the end of the "prosperity" period, in most difficult straits. Thousands of disputes broke out, the tenants forming unions and demanding lower rents. These tenants included many who held no land at all, and a larger number who were owners of small plots which were insufficient to maintain them.

At this period not only Japan, but some other countries as well, were in a situation where during the war boom land had been brought under cultivation that ordinarily could not yield profitable crops. About three million acres of such land was abandoned in England in the decade after 1918, and almost twenty million acres in the United States in the same period. In Japan, however, there was no place for the surplus labor to go. They might be working most laboriously at an increasing deficit, but only the land stood between them and starvation.

The increasing distress led to more widespread and bitter conflicts between tenants and landlords, which were carried into politics when the organized tenants elected a number of their candidates in different localities. In some places the government took drastic action against the tenants, and in Kagawa prefecture not only forcibly stamped out the unions, but excluded from the prefectual assembly the four agrarian members legally elected by the farmers.

Landowners Face Bankruptcy

But while the tenant farmers were first to feel the pinch, and were in a position to make their troubles known by organization and resistance to the landlords, the landowners themselves were in an increasingly difficult situation. Loans obtained during more prosperous years at 11 or 12 per cent interest had to be repaid in an era of low prices and diminishing returns. Even during the war period more and more owners were being obliged to take up extra land on lease to eke out their scanty earnings, and between 1914 and 1924 an average of 5,000 farm owners yearly became tenants on other men's land.

These, of course, were the poorer farmers, cultivating their own small holdings. But from 1924 on appeared a new tendency, more significant than anything before, when the landlords began to turn to the cultivation of their own land. The increase of their own families, and the low returns, left no margin for division of the product with the tenants, and the landowners increasingly endeavored to evict tenants from their land. By 1929, 25 per cent of the agrarian disputes were over this point. The landlords, facing bankruptcy, turned to cultivate the land themselves. The tenants, facing starvation, refused to leave, clinging on desperately to their leases as their last hope.

It was under such circumstances that landlords themselves, in 1927, urged in the House of Peers the nationalization of the land. The situation was already critical,—and this was three years before the world crisis.

The Present Crisis

It is on this basis, and with this background, that the present distress in Japan is to be understood. It is not a thing which has sprung up suddenly, but is the direct and inevitable result of an unjustified and uncalled-

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for economic expansion and population increase. The population continues to increase at the rate of a million yearly (though for the past decade the number of children per family has been falling), while the means of subsistence are (proportionally) declining. Prices have fallen in Japan, but the relative price of rice remains higher than other commodities owing to its high cost of production. Even at its present price the distress of the farmers is most serious.

Rice can be imported from abroad for one-half the price, and the imports are steadily increasing. Wheat can be imported at about one-third the cost of Japanese rice, and the consumption of bread is also increasing. It would appear from this that it is far more economical to import these foods, and make them the staple. But the answer to this suggestion is: What will Japan use for money? To depend on foodstuffs from abroad requires big exports to pay for them. America is not increasing her consumption of silk in these years of depression, and this silk export is far more important than anything else, both to Japan as a whole and to the farmers directly, making up 43 per cent of Japan's total export trade (36.3% raw silk, 7% silk fabrics, in 1929). And what becomes of the farmers if foreign foodstuffs are imported at prices which to the Japanese farmer, with taxes and interest and rent and fertilizer costs as they are in Japan, would mean giving his food away and sitting down to starve.

For it is the Japanese farmer who is paying the bill for the disastrous adventure on which his rulers have embarked as a World Power. Direct taxes on owning farmers are twice what they are on business men in the cities, and take up more than one-fifth of their total income. The excess birthrate encouraged by the bureaucracy in order that they might have a sufficiency of cannon fodder has resulted in a population out of all proportion to the resources of the little Island Empire. The economic situation created is such that the farmers themselves are facing destitution, and reduced to a primitive struggle for the right to cultivate the land and eke whatever miserable existence is possible out of the soil, landlords trying to evict their tenants and utilize the land themselves, and the tenants—facing starvation—insisting on remaining, even on the condition of giving over half their product to the landowners.

Co-operation is relieving the situation somewhat, especially co-operative credit societies, but they cannot give land when there is not enough to go around, cannot create food where there is a lack of it, cannot give jobs where there are none. Farm relief can be realized only by such measures as will involve a radical redistribution of tax burdens, and the spending of increasing sums yearly—a temporary makeshift while the population continues to increase at the rate of a million yearly, and half a billion yen yearly goes on militarism,—and far more in such years as the present one.

For Japan has not only reached, but gone beyond the limit of her profitable economic expansion. Depending on transient and temporary conditions, the Japanese bureaucracy built up a high-priced economy and a powerful military organization altogether beyond the means of the country's natural resources and its people, and encouraged the expansion of population to the point of increasing destitution and distress. Japan is now the "Great Power" of the Far East, in military control of great stretches of the Asiatic mainland and third among the armed Powers of the world.

But the starving Japanese farmer is paying the bill.

Peiping, September 3, 1932.

American Negroes "Take" to Moscow Life

According to a *Tass* telegram from Moscow, the 22 American negroes who came to Moscow to take part in the film, "Black and White," directed by the German producer, Herr Junghans, have taken to Moscow everyday life with zest and facility.

This news contrasts with a report from Reval that the Comintern has decided to suspend propaganda among colored Americans as the "inherent ignorance of the colored races makes their unity impossible as was evidenced by a recent battle in New York between Africans and West Indians, who are as short-sighted as the Hindus and Moslems in India." The Comintern felt that it was advisable to turn attention to the European proletariat, instead of wasting time and money in a futile endeavor to "enlighten born fools."

Communists Executed at Tsinan

Fourteen of the 27 Communists arrested at Tsingchow August 28 when their attempt to create an uprising in one of the suburban towns was thwarted by the local military units, were executed at Tsinan August 31 after having been found guilty by court-martial. The remaining 13 are still under trial. It is learnt that in the course of the trial of the 14 condemned Communists, Chung Hsueh-wan, principal of a local primary school, confessed to being the ringleader of the outbreak. He said he had been a confirmed Communist for 14 years. All of them admitted to plotting against the present social system, their avowed object being the organizing of the peasants for the overthrow of capitalism.

A joint campaign for the suppression of the bandits under the notorious Kung Ho-chung is announced from Nankow, to be launched by the combined Hupeh, Hunan and Kiangsi forces as soon as General Ho Cheng-chun, Field-Commander of the Left Wing Bandit-suppression forces, completes his preparations. The Szechuan Division under General Fan Shao-tseng scored a victory over the brigands in the Hung Hu (lake) region when Ho Lung, the bandit leader, leading 4 "Red" regiments, was attacked by the Government units at Taihotsang and Hsinhochen. A large portion of the brigands was dispersed while Ho Lung escaped with the remnant outlaws to Shayang.

A telegraphic message from the district magistrate of Nancheng, eastern Kiangsi, reports that the "Red" outlaws after failing to capture the town, have retreated south-eastwards. The Government forces are in hot pursuit. Another "Red" army under Chu Te advancing on Nanfeng from Kwangchang, south-eastern Kiangsi, has been repulsed by the 8th Division under General Mao Ping-wen.

Chuchiawan and Liuchiachi, two other strategic points in the Hung Hu (lake) region, have been besieged by the Government troops and are expected to fall within a few days.

Following their occupation of Hsinkouchu on the 30th, the 41st Division under General Chang Chen-han has occupied Choulaochu, the "Red" stronghold in western Hupeh. In addition to the arrest of a number of bandit officers, 2,000 rifles were seized. Several "Red" organs were destroyed.

Banditry Suppressed in Western Anhwei

"Red" banditry has been eliminated within an area 50 miles south of Hwokiu city, western Anhwei, while the city itself is completely rid of the outlaws, according to a recent message from General Hsu Ting-yao, Commander of the 4th Division. Despite the heavy rains last week, General Hsu states, the 4th Division routed the brigands and occupied the Yehchiachi-Liushutien-Kaishun region; the remnant bandits escaped to Chinyungchai and Shangcheng, south-eastern Honan. The city of Hwokiu and the region 50 miles south of the city were thus purged of the "Reds."

General Chiang Kai-shek has issued orders to the various Bandit-suppression units in Hupeh forbidding them to increase their forces or establish superfluous organs without the knowledge and approval of the highest military organ. He also urges publicity for military accounts and the exercise of strict discipline. Those disobeying the orders will be liable to punishment and dismissal.

A Hsuchow telegram states that the "Red" bandits at Mapu and Tushanchen, near the Anhwei-Honan border, are completely surrounded by the Government forces. General Chiang Kai-shek has telegraphed to Generals Wang Chun and Hsu Ting-yao, respectively commanders of the 1st and 2nd Columns of the Right Wing Bandit-Suppression units, to capture the outlaws and their notorious chief, Kwang Chi-shun, and not to allow a single person to escape.

The headquarters of the communist suppression army was not a little surprised at the appearance of an aeroplane, painted in blue color, which flew over the Peiping-Hankow Railway zone September 2 and dropped several bombs upon the railway garrison. Having received a report that Soviet Russia had recently provided the communist forces with several aeroplanes, the headquarters of the Government army at Hankow has prohibited all transportation of gasoline to the "Red Territory."

Nanking Objects to Canton Branch Supreme Court

With reference to the proposed establishment of a South-western branch of the Supreme Court, Chu Cheng, President of Judicial Yuan and concurrently President of the Supreme Court, who recently telegraphed Canton on the subject, has now addressed a lengthy despatch to the South-Western Political Affairs Commiittee formally requesting it to revoke its decision to establish the said branch Court. The despatch adduces many legal reasons, pointing out in substance that the establishment of the proposed branch Court would not only be in contravention of a Mandate issued by the National Government a few years ago, but would also give rise to undesirable conflict in the interpretation of laws and ordinances, which privilege is now vested exclusivly in the Supreme Court.

In refutation of the contention that owing to remoteness of the south-western provinces, there has been considerable delay in the filing of the final appeal, the despatch points out that as appeals to the Supreme Court can be brought up only upon questions of law and the Supreme Court can not investigate further into the facts of a case, both the litigants and their attorneys do not have to appear in person before the Supreme Court. As a matter of fact, they have no right to; the delay, if any, can not be attributed to distance.

Californian Opposes Oriental Exclusion Clause

Discriminatory clauses in the 1924 U. S. Immigration Act which are offensive to Asiatic peoples, Japan in particular, should be modified in the interests of international peace and goodwill, Samuel J. Hume, executive secretary of the California Council on Oriental Relations, told delegates to the forty-seventh annual convention of the National Editorial Association in Los Angeles recently.

"A growing body of informed opinion in the United States favors modification of this unfortunate law and the placing of Japan, China andAsiatic countries on a quota basis, following the system which has been in successful operation for European countries the last eight years," Mr. Hume said.

"When we realize that an application of the quota to Japan would only mean an entry of 185 persons annually, and an entry of only 105 persons from China we can understand that this is no longer an immigration problem, but a matter for the adjustment of international relations in pursuance of a policy of justice and fair play."

Granting of the quota privillege to Japan, China, and other Asiatic countries does not in any way affect such questions as the California alien land law or eligibility to citizenship, according to Mr. Hume.

Mr. Ariyoshi, New Japanese Minister, Arrives in Shanghai

Arika Ariyoshi, new Japanese minister to China, arrived in Shanghai to assume office September 4. He succeeds M. Shigemitsu, who was injured in the Hongkew Park bombing incident. In a statement issued immediately after his arrival he pledged himself to exert his utmost to improve Sino-Japanese relations and called upon the citizens of both countries to aid him in his task. "I am firmly determined to do my best in order to develop friendly relations between the two neighboring nations and to contribute to the maintenance of peace in the Far East, of which the keynote is the interdependence and mutual prosperity of China and Japan," is the way he expressed himself in an official statement.

Mr. Ariyoshi was the former Japanese envoy to Brazil. He has had many years of experience as a student and diplomat in China.

Marshal Wu Pei-fu Makes a Bid for Peace

A recent telegram from Peiping stated that Marshal Wu Pei-fu, who is at present residing in Peiping, has addressed a letter to the Emperor of Japan concerning Manchuria, sending a copy to the League Commission of Inquiry. After deploring the present pass, for which he blames the military element, he points out that Japan and China are brother countries, whose differences are all susceptible of settlement. Therefore he urges that hostile action be stopped, so as to avoid deepening the enmity between the two people, and advocates a conference between the elder statesmen of both countries to bring about a peaceful solution.

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Japan's Central Figures in the Whirlpool of Manchuria

The following is a summary of the comments appearing in Japanese publications concerning personages connected with Manchurian affairs, supplied by The Review's Tokyo Correspondent.

Foreign Minister Count Uchida

WHEN it was decided that Count Uchida would occupy the Foreign Minister's chair, higher officials of the Foreign Office agreed that he would prove a robot. In fact, they all inwardly desired his robot-like existence. Since his appointment, however, he has bravely made a turn to be a despot, to their pitiful disillusion. It was by his own decision that Mr. Ariyoshi, then Ambassador to Brazil, was appointed Minister to China. The sifting of the position of Minister to China is regarded not unimportant in Foreign Office circles.

The Count has the pride and honor to be one of the two senior diplomats with Viscount Kikujiro Ishii, and, moreover, as to his age he is old enough to regard all of his colleagues as his children. Thus, he has reason to take the measure of them all. It was about the time when the question of his entrance into the Foreign Office materialized, that the higher officials laid their heads together and drafted a plan for the open statement of Japan's decision and attitude regarding their Manchurian policy, and sounded the intention of the Count. What he declared in return caused the official group to be struck dumb with amazement, for he replied: "A great nation seldom announces a declaration; such a superfluous procedure may be considered useless."

There is another interesting episode in this connection. As it was scheduled that, soon after his appointment, he would have an interview with Lord Lytton and his party, the same official staff of the Foreign Office prepared an elaborate manual dealing with answers to be made against the Commission's possible questions, and handed it to the Count. Contrary to their expectation, he paid little or no attention to the manual, and when interviewed by the Commission he spoke what was in his own mind quite disregarding of the fruit of his subordinates' solicitude.

It is also to be noted that when he interviewed the Commission he harped on the same string, and was not wise enough to make his argument touch the string of their hearts by means of systematic theory and kindly explanation; he was so dull-witted that he insisted on and stubbornly stuck to "Whatever be the objection, Japan has decided to recognize Manchuria." Consequently, there was no means for the Commission to ascertain what was really at the bottom of Japan's heart; indeed, his attitude even made the party feel irritated. It is reported that at their second interview Lord Lytton, failing to repress irritation questioned angrily, "Do you know what our mission is?" It is only natural, therefore, that the Commission hurried off to China.—(Shiro Sugiyama—*Chuo Koron*)

There is an episode which tells of one side of his character. There is an old man in the Personnel Section of the Foreign Office. Once when he was keeping night-watch at the Foreign Office he noticed a man clad in thin white summer kimono, going in and out of the Minister's room clattering in clogs and slapping his bare buttocks seen under the rolled up skirt. The night-watchmen was surprised and called out, "Who goes there?" and ran to catch the intruder. The man caught was no other than Foreign Minister Count Uchida.

It may also be worthy of note that when young he was full of spirit and a heavy drinker. One time when he was present at a banquet, he lost his temper and beat Prince Ito, and at another time when he was advised to take a multi-millionaire's daughter as his wife, he flatly refused the offer saying, "Uchida is not a man who seeks chance of success supported by his wife." He has a dash of an Oriental hero.

Under the Terauchi Cabinet he was in Russia as Ambassador. During his service the revolution broke out, and while Ambassadors from various countries fled in a hurly-burly, he remained there as if nothing had happened until he could gather information and ascertain the direction in which the revolution was destined. This shows that it is not unusal that a heavy drinker possesses iron nerves.

It was Count Uchida who first advocated non-interference with the internal affairs of China; the unpopular Shidehara diplomacy was after all its tributary. Upon entering Manchuria as the head of S.M.R. the Count realized that everything had had a complete change, which developed into the Manchurian incident and finally to the appearance of Manchukuo. At this juncture a complete change came into the Uchida diplomacy: the Count helped the Army and the Army backed him, thus a close connection being formed between the Count and the Army on the prairie of Manchuria.—(Saburo Yuki—*Bungei Shunju*)

***

Count Uchida was very clever from a child and was even called a precocious child. He has a clear head, mild and pleasant physiognomy, while at heart he is quite affectionate despite his undaunted spirit.

As a result of his long diplomatic activities, formation of strong character, actual experience obtained in Manchuria, and of his perfect digestion of the world's latest diplomacy, he must have become really great. This is why the writer enthusiastically welcomes him as Foreign Minister.—(Y. Kodama, M. P.—*Jitsugyo-no-Nippon*)

***

Count Hayashi, S. M. R. Governor

According to those in the know, as the Governor of the South Manchurian Railway Company, Count Hayashi may fall short of the expectation of the Japanese. This apprehension has done more good to him than harm, because on that account he was singled out from among the scores of aspirants for the enviable position.

The fact that the Governor of S. M. R. ought to be unworthy of the nation's trust must sound strange. But this is nevertheless true. The importance of the situation hitherto enjoyed by the successive Governors is now expected to take a sudden head-long fall. The political, diplomatic and to a certain eitent military authority which had hitherto been vested with the S. M. R. governors is to be transferred into the hands of the Plenipotentiary Extraordinary stationed in Manchuria. As thus the sphere of activities of the future S. M. R. Governors is to be limited to the management of the company as a business concern, there is apparently no need of looking for a man of ambition and experience. Indeed, an able Governor would prove a nuisance. It goes without saying that to the Army, in whose hands is to be placed the political, diplomatic and military power, an incompetent and therefore an obedient Governor is preferred. There is another reason for his selection, and this is no other than the consideration paid by the authorities for the maintenance of balance of weight between the successive Governors and the new comer.—*Economist.*

It is after going through customary troubles that Count Hayashi was appointed S M. R. head. This was least expected even in the well informed quarters, it is said.

Among numerous candidates the first that was strongly supported by a certain influential clique was Count Kabayama; then came Hidejiro Nagata, Mayor of Tokyo. Succeeding to him appeared Nakaji Kajiwara, ex-Governor of the Hypothec Bank supported by Colonial Minister Nagai. Just at the time when Mr. Kajiwara's appointment was decided and announcement was awaited, a strong opposition arose from the Army and a secret obstruction campaign was conducted by the Seiyukai party. He, too, disappeared from the political arena. Soon after him came Count Hayashi who all of a sudden and quickly won laurels.

Now, Count Hayashi has the title of Doctor of Literature and a long educational experience, once having been a professor of the Tokyo Imperial University. This shows he is more likely to be a leading figure in the educational world than a resourceful president of a business firm. While, on the other hand the unsuccessful competitor, Mr. Kajiwara, is reputed to be perfectly qualified as a finished enterpriser. Indeed, every eye of the public is riveted upon the contradictory selection.—*Jitsugyo-no-Nippon.*

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Army Minister, General Araki

Gen. Araki is a born soldier and a pure royalist. His crystalline eyes and well defined brow bespeaks the possession of unrivalled strategy. Added to this, his unique career endorses him as the highest director of the Army.

While a company officer he fought in the Russo-Japanese War; as a field officer he personally witnessed the European War; and when he was promoted to be a general he served as the Commander of the Eighth Brigade, director of the Gendarmerie Headquarters, and as the head of the First

Department of the General Staff Office. Then, he was appointed to command the Sixth Division of Kumamoto, staying there for three years. Last Summer he went up to Tokyo to prepare himself for the portfolio of Army Minister.

A continued political turmoil have elapsed since he became Army Minister, and it seems his lean figure now feels somewhat weary. As the military action of the Kwantung Army will cease in the not distant future and no war between Japan and——is expected within a year, juding from the strategic viewpoint and dialectic development of the war, he is believed in future to concentrate his energy upon consolidating the unity and harmony of the Imperial Army.

"The source of life of the Imperial army lies in His Majesty the Generalissimo, and he is the only person who commands the Imperial army." Only those who live up to this very spirit are qualified to be leaders of the Imperial army. Gen. Araki is the foremost to satisfy this qualification.

For the last few years he struggled on in a violent storm just like a dragon that ascends the heavens meeting with rain clouds. But, things must not be overdone: unyoked extension of military action into Siberia, or encroaching upon administrative and legislative domain by trying to defend and support the Imperial prerogative of supreme command, are an example of a most hazardous culmination. As a student of war history Gen. Araki ought to know the risk consequent upon an unrestrained chase. Gen. Araki is advised to hold himself back in future to fulfil the heavy responsibility of disciplining the Imperial Army.—(Shinsaku Hirata—*Chuo Koron.*)

Lieut. Gen. Koiso, Chief of Staff of the Kwantung Army

None would disapprove of the ability of Lieut. Gen. Koiso as an able strategist. During his service as the head of the Bureau of Military Affairs he already intimated his future greatness. Under Gen. Muto his service as the General's right-hand man, will be more than satisfactory. His action is impulsive. His physical constitution stands any and every burdensome duty. Like Gen. Araki he is a born samurai though of a different type. Surely he cannot forget the Army waking or sleeping; indeed, to him the Army is his life. His cherished desire, "How to build up a strong Army," must have been born with him. His popularity among young officers is so great that in this respect he is ranked next to Gens. Muto and Araki. He is indeed a sphinx of the Army, and it is even said that he may succeed Gen. Araki after obtaining due experience as a Division Commander. (Shinsaku Hirata—*Chuo Koron.*)

Advisers to Gen. Muto

However wise a man may be he is not versed in everything. As advisers to Gen. Muto, Prenipotentiary Extraordinary and Commander of the Kwantung Garrison, Gen. Yoshida, Dr. Saito. Dr. Ando and Mr. Suzuki have been appointed. Unlike those nominal advisers to business concerns they are expected to give responsible and concrete suggestions required by the Envoy.

Gen. Yoshida, mining and metallurgy adviser, is a rare expert of arms, and not a soldier who fights. His profound knowledge is widely recognized, and a mere presentation of a thesis would bring him the honorable doctorate. He is refined in character and amiable in nature, and unlike experts in general he has a number of followers and admires.

Dr. Saito, diplomatic adviser, obtained a doctorate through a thesis on commercial treaties between powers and China. Resigning the office of the Chief of the Bureau of Commercial Affairs of Foreign Office he went to Dairen as a S. M. R. Director. He is a model samurai born to be a retainer of a noted warlord. About a score of years ago he had a hazardous trip all over the China Proper, Outer and Inner Mongolia defying the attack of gangs and mounted bandits.

Mr. Suzuki, financial adviser, was a Vice-President of the Chosen Bank. After resigning the post he connected himself to the Kyoto Electric Company and several other business concerns, living a life of retirement rather than of activity. Being an authority on the science of finance and economics in general he is expected to contribute to the revision of the currency system of Manchukuo.

Dr. Ando, agricultural adviser, has had thirty years' experience at the experimental farm of the Agriculture Office. Since his resignation from the post he was appointed Vice-President of the Imperial Agricultural Society. With special zeal he studied how to increase the yield of the rice-crop.—*Economist.*

[It is noteworthy that there are no comments on General Muto himself.—Ed. *C. W. R.*]

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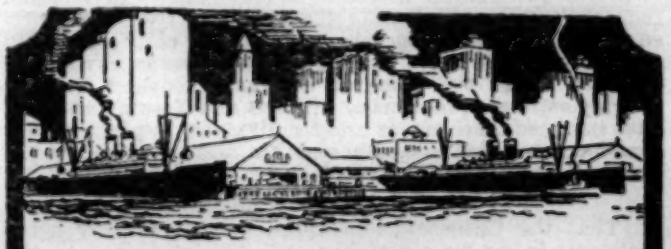

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Foreigners Involved in Shameen Cabaret Scandal

(From the Review's Correspondent)

CANTON—Chinese residents here have been swindled out of $51,500 by a Russian chemist named Neiman in connection with a scheme for the establishment of a modern cabaret and gambling hall at Shameen, the British and French Settlement in Canton while many foreigners including a Hungarian, a Pole and a British subject have bought shares in this cabaret establishment which was scheduled to open by the end of August at No. 19 in the French section of Shameen.

Although Shameen is part of Canton the settlement is not under the Chinese jurisdiction and as many kinds of gambling including *fantan* and roulette are strictly prohibited by the Canton authorities in the Chinese City, the recent announcement that some Chinese and foreigners including Russians were about to venture on this gambling enterprise attracted much public attention. The Chinese officials were no doubt strongly opposed to such an establishment as the latter promoters also sponsored a cabaret in the same building and in this connection it might also be mentioned that the Chinese Government here not only prohibited cabarets, but even dancing halls maintained by restaurants in other modern cities had long been opposed by the conservative officialdom here.

It is the intention of the Chinese and foreigner promoters to sink about a million dollars in this concern under the leadership of a Chinese named Kong Suk-wing, son of a former agent of the British, American Tobacco Company office in Canton. These promoters undoubtedly had the wrong impression that as gambling and dancing were prohibited in the Chinese City the opening of such a house consisting of a modern cabaret with imported foreign and Chinese dancers from Shanghai and elsewhere abroad and separate and beautifully decorated rooms with bars and card tables and roulette and *fantan* tables would offer the greatest attraction to Chinese from Canton Proper and foreign residents at Shameen. It is alleged that a Russian chemist named Neiman who had done much to inspire the Chinese investors in this game had received from the Chinese syndicate some $50,000 for what purported to be a licence to operate a gambling club at No. 19, French Concession. This gambling house syndicate operated under the name of Li Faat Company and it is roughly estimated that many Chinese and foreigners must have invested their money and simultaneously placing their confidence on this Neiman and his ability to secure the proper licence from the French Consular authorities.

A License That Did Not Materialize

That the Chinese and foreign promoters had great confidence in the success of Neiman was evidenced by the fact that they spent several thousand dollars in painting and decorating the rooms in this big building and meanwhile stories concerning this gambling house attracted much comment in English newspapers in Hongkong and Canton and also in the Chinese newspapers. It was then that the venture came to the attention of the French authorities. On the eve of the opening of this house while the promotors were having a meeting at the premises and a large number of carpenters and workers were giving their finishing touches to the decorations for the grand opening the place was raided by the French Police officers. During the raid the Police also seized share receipts giving names of the investors and other printed matter, together with $4,000 worth of wines. Some of the members of the management were detained by the Police but were subsequently released.

With the spread of the news of the raid the investors first came to the realisation that Neiman and others who professed to be able to secure a proper license from the French authorities must have organized the concern with the intention of swindling them. Kong Suk-wing was amongst the first to go and find Neiman but the latter was nowhere to be found. The investors then realised that all the time the French authorities had never been approached for their full approval and consent for this establishment. The French authorities must have heard of such an establishment before hand, but waited for the opportune moment when the house was about to be opened for the public, to organise the raid. In his desperation Kong Suk-wing reported the matter to the Chinese authorities in the Municipal Government of Canton and as a result the Government issued arrest warrants for Neiman and his wife, a Russian lady.

Kong Suk-wing told the Municipal officials that he was strongly convinced after listening to Neiman of the latter's ability to secure proper approval from the French authorities which led to his and his friends' investment. Kong told the story that he made a first payment of $3,000 to Neiman, a second payment of $40,000 after about one week and a final payment of $5,500 also to Neiman for rental and other incidentals in connection with the lease of the building.

The Municipal officials immediately issued rewards of $1,000 for the arrest of Neiman and $500 for Mrs. Neiman with the intention of rounding up the entire gang of irresponsible foreigners involved in this swindle scheme. On the same day when Kong made his report to the Police the latter sent their detectives to the residence of Neiman in the Chinese City and arrested Mrs. Neiman and another Russian and one other foreign lady. The trio was taken to the Police Station and was subjected to close interrogation. The two friends of Mrs. Neiman told the Police that they found Mrs. Neiman a few days ago without any money or friends and knowing her for years they went to her help. They also all alledged that Neiman had previously made a hurried exit from Canton for either Hongkong or Macao immediately after the raid on No. 19, having also taken his three children to a convent in Hongkong. Mrs. Neiman professed complete ignorance of her husband's escapade.

It is learned from the Police that Mrs. Neiman and her two friends were on the verge of removing their furniture from her residence to the Asia Hotel on the Bund when the detectives arrived on the scene. Mrs. Neiman strongly protested and it is alleged even struggled and offered resistance when she was being taken to the City Reformatory where she will be detained until the apprehension of Neiman.

The officials here are determined to find out all the facts concerning this gambling house and will detain Mrs. Neiman even if she has professed ignorance as to the receipt of the $50,000 from the Chinese investors by her husband. The Police have also elicited the fact that the prisoner visited Hongkong early last week and returned to Canton only on the day of her arrest which led to the belief that Neiman is still hiding somewhere in the British Colony.

It is believed that unless he is arrested Neiman will not come back to Canton despite the plight of his wife and as far as their investment is concerned the shareholders in the Li Faat, the firms who undertook the decoration and painting work and the wine dealers who supplied $4,000 worth of liquors to this ill-fated joint may as well regard their investment a complete loss. Coming back to the action taken suddenly by the French authorities one story in circulation is that the American and British consular authorities in Shameen had previously urged the French officials to suppress such a gambling and cabaret concern, which might injure the good name of the Shameen administration.

September 18 to Be Observed as Day of Mourning

A Nanking message says that September 18, the day a year ago when the Japanese launched their program of aggression by attacking and taking Shenyang (Mukden), is to be observed as a day of national mourning throughout the country.

The Central Party Headquarters, in a circular order to the various Provincial and Municipal authorities, instructs that besides the holding of memorial services, all amusements should be suspended for the day. To perpetuate the memory of the heroes who fell while resisting the Japanese invasion in Manchuria and Shanghai, a five-minute silence is to be observed at all Party and Government organs, schools, factories, shops and residences.

American Chamber Leads Protest Against Cable Restrictions

In view of the fact that when the International Telegraph Conference opens at Madrid September 10 the telegraph companies intend to press for rectrictions in the use of ten-letter code words, the Board of Directors of the American Chamber of Commerce of Shanghai has taken the lead in a fight aginst any new ruling. Letters of protest have been forwarded to the various chambers of commerce in the city besides the three local cable companies, namely the Commercial Pacific Cable Company, Eastern Extension Telegraph Company, Limited, and the Great Northern Telegraph Company, Limited. The Chinese Government Radio Administration has likewise been notified.

Floods and Cholera Bring Destitution to Harbin

A correspondent writes from Harbin that the flood has almost entirely paralyzed the economic life of that city. Many residents would flee from Harbin if they knew where to go. A few days ago 1,500 people, Chinese nationals, left for China Proper: 15,000 more are reported to be leaving shortly. All these people have become homeless destitutes as a result of the flood, their houses and their cattle having been destroyed by water. The authorities of the city and of the country in general are taking prompt measures to extend relief to the numerous victims of the flood. Cholera is raging, cutting down hundreds of people every day. The fighting in Manchuria continues unceasingly, so that various factors cooperate in devastating the country and lessening the number of its population.

Floods Disrupt Traffic on Swatow Railway

Traffic on the Chaoan-Swatow Railway has been disrupted and extensive areas have been inundated by the sudden rise of the Han Kiang (River). According to reports from Chaoan, the outskirts of that city are flooded while many sections of the dykes are in imminent danger of collapse. Several launches are reported to have been sunk on the Han Kiang due to the swift current.

Yellow River Flood Prevention Work Nine-Tenths Completed

Temporary suspension of the sales surtax on native coal has been ordered by the Shantung Provincial Government in order to mitigate the plight of the coal producers in the Poshan district where the flooding of the mines has resulted in serious losses to the owners. Flood prevention work along the Yellow River in Shantung has been nine-tenths completed, according to Chang Lien-chia, Director of the Provincial River Affairs Bureau, who recently returned to Tsinan from an inspection of the lower reaches of the river. All danger points have been sufficiently strengthened to withstand the waters even if there should be another twofoot rise, Mr. Chang said.

30,000 Dead of Cholera in China This Year

In an interview at Nanking September 2 Dr. J. Heng Liu, director of the Bureau of Public Health of the national government declared that although according to the official reports he had received from various provinces there were about 50,000 cholera cases throughout the country, the current figure should easily be above 100,000. This summer, which has probably witnessed one of the worst cholera outbreaks in China, more than 30,000 deaths are estimated. He added that the peak had now been reached and the number of cases is now on the decline.

Bubonic Plague Breaks Out in Northern Shensi

Bubonic plague has broken out in northern Shensi areas according to reports received in Sian. The districts involved are Anting, Tuanhsien, Chingchien, and Suiteh. In view of their proximity to Shansi, General Yang Hucheng, Chairman of fhe Shensi Provincial Government, has despatched urgent telegrams to General Hsu Yung-chang, Chairman of the Shansi Provincial Government, seeking co-operation in the establishment of plague prevention offices for the isolation of the disease.

Manchurian Refugees Crowd Into Peiping

According to statistics compiled by the local Municipal Authorities, the population of Peiping city for the month of August totals 1,530,890 of whom 62,963 are foreigners. Due to the large influx of refugees from Manchuria, the population of Peiping now exceeds even its most populous period during the first year of the Republic (1912) by about 70,000 persons. It is said that there are now no vacant houses in the whole city.

Society of Political Science Holds Inaugural Meeting at Nanking

The inaugural meeting of the newly organized China Society of Political Science was held at Nanking September 1. Scores of leading politicians and experts were present. Besides the formal business of the meeting which included the adoption of a constitution, election of officers, etc., it was decided to organize a committee for the study of international law and the publication of articles and treaties on various aspects of political science.

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Seiyukai Leader Heckles Count Uchida on Manchuria

When the Premier, the Foreign Minister and the Finance Minister had finished their speeches in the Japanese House of Representatives, at the recent opening of the Diet in Tokyo, Kaku Mori, a Seiyukai leader, brought forward a lengthy interpellation on the question of the recognition of Manchukuo. He said that as to what Japan's recognition of Manchukuo really means, the Japanese people must deeply consider, regardless of the attitude of the Government. It would be hazardous to handle the question in a self-complacent manner as if it was merely a legal issue.

For Japan to recognise Manchukuo in the existing circumstances is to give a rude shock to world opinion, the interpellator continued. It will bring about a head-on collision between Japan and the League of Nations, culminating, perhaps, in Japan's withdrawal from the League. It will also excite anti-Japonism in China with a dangerous possibility of the recurrence of an unfortunate event like the Shanghai affair. The Japanese people must be prepared for the further aggravation of the relations between Japan and America. In view of the atmosphere in the League of Nations since last autumn and of the trend of world opinion, it is necessary for Japan to be fully prepared, both mentally and physically, for all possible contingencies. If viewed from the standpoint of its effects on Japan's diplomatic position only, the recognition of Manchukuo is a matter of very grave consequence.

The Question of Recognition

At the last session of the Diet, the House of Representatives adopted a resolution urging the Government to recognise Manchukuo speedily. The resolution did not say "immediately." When, therefore, the Government assured the House that it would recognise the new State as soon as the necessary preparations had been finished, the House was satisfied. It was because of the House's recognition of the great importance of the issue that it did not insist on immediate recognition. What the Government has done since then was simply to waste time. There are no signs of any preparations necessary for recognition having been made. To draft a treaty to be concluded between Japan and Manchukuo or to appoint the Plenipotentiary to conduct negotiations for the conclusion of such a treaty is a matter of trivial importance. This is not what the House means by the "necessary preparations."

For instance, what steps has the Government taken or is going to take to meet the changes which are likely to occur in the relations between Japan and China and those between Japan and other Powers as the result of Japan's recognition of Manchukuo? The guidance of popular ideas at home, replenishment of army and navy armaments, and the establishment of a good financial and economic policy are among the important matters which must be seriously studied before the recognition of Manchukuo. Has the Government, then, studied them seriously? If so, what measures is it going to take in these respects?

The sum up, the interpellator asked:

1.—What kinds of preparations has the Government deemed necessary and to what extent have these preparations been completed?

2.—What changes does the Government think will come over the international situation in the event of formal recognition of Manchukuo, and what measures does it propose to take to meet such changes?

3.—How does the Government think Japan's position in the world of international economy will be affected by the recognition?

4.—What preparations has the Government made or is it making to meet the serious changes likely to occur in Japan's diplomatic relations with China and other Powers?

Count Uchida Says Necessary Steps Being Taken

Count Uchida, Foreign Minister, in reply, said that the Government has made and is still making the necessary preparations and intends to accord formal recognition to Manchukuo as soon as they have been completed. As to the extent of these preparations, the Finance Minister said, he is not in a position to disclose them. Replying to the second inquiry, the Foreign Minister said that Japan's action in Manchuria has been in self-defence. It is open and aboveboard. He feels confident that Japan's rightful cause will eventually be appreciated by the Powers. Japan means to accomplish her object even if the whole country may be reduced to ruin on that account. She will not yield an inch from her present stand. As this is the faith of the Government, the Foreign Minister said, the interpellator's third and fourth questions need not be answered.

Mr. Mori, not satisfied with the Foreign Minister's reply, demanded that he should openly describe the preparations made, if the Government is so firmly determined, as the Minister professes, to go its way even though the country may be reduced to utter ruin. The interpellator denounced Count Uchida's bureaucratic diplomacy, which is marked by secrecy, and declared that he cannot but feel much uneasiness regarding foreign policy.

British Savant "Warns" America of Danger of Head-on Collision with Japan

Dr. Arnold Toynbee, Director of the British Royal Institute of International Affairs, told the Institute of Politics in session at Williamstown, Mass. Aug. 17, that there would be a great danger to world peace, if the United States foreign policies were directed toward isolation from the rest of the world. Dr. Toynbee invited the audience to imagine "a head-on collision between the United States and Japan." He pictured the United States, "committed by isolation to making a bid for world power," as grinding down Japan until the conflict drew the whole world in. Dr. Toynbee said, "Countries around the Pacific would be drawn in as the allies of the United States—China, Russia, Canada, Australia and New Zealand. This would mean the dissolution of the British Commonwealth. The struggle would inflict terible wounds on the United States, but would absolutely knock Japan out." The victory of the United States, Dr. Toynbee said, would tempt Europe to form a counter-coalition after which the second cycle of wars would end the supremacy of the United States and an American directed peace of the world.

Manchurian Natives Desire Erection of a Monument

The following telegram is a sample of many others issued by the Japanese Press Union Service. It is published as a matter of record. The Japanese desire to earn Chinese "gratitude" is really pathetic.

Mukden, Aug. 27

A petition has been received here from the native villagers in a village about 25 kilometres east of Hulan, where the remnant Ma Chan-shan irregulars were defeated by the Japanese detachment on July 8, to erect a monument in their village in commemoration of 12 Japanese soldiers who died in the battle. The villagers in the neighborhood are still looking back with gratitude to the gallant defence made by the Japanese troops against Ma Chan-shan's irregulars, who, if they had been victorious, would probably have sacked the whole village and committed indescribable outrages upon the villagers. The petition having been gratefully accepted by the Japanese authorities, it is expected that a monument will be built shortly in the walled town of Hulan.

Judicial Scandal in Wuchang District Court

Hu Shu, Chief Procurator of the Wuchang District Court, has been detained at the Headquarters of the Honan-Hupeh-Anhwei Bandit-suppression Forces at Hankow pending action by the Judicial Yuan. He will be tried in connection with the release of Liu Wen-chen, Chairman of the Custody Committee for Dyke Construction Funds of Hupeh, who was charged with the misappropriation of $800,000.

Charged with conspiring with many unscrupulous merchants in the embezzlement of public funds, Liu was arrested. Being the leader of the group, he was held responsible for the $800,000 misappropriated. Of this sum he later returned $630,000.

While Liu was still under examination by the Procurator's Office, Chief Procurator Hu, under certain pretexts, set him free. This action was brought to the notice of Gen. Chiang Kai-shek who immediately ordered Hu's detention. He will be tried by the Disciplinary Committee of the Judicial Yuan.

Chinese Post Office Threatens Cancellation of Privileges for Unregistered Journals

Special postal privileges will be denied to periodicals and daily newspapers which have not registered with the Ministry of Interior as required under the Press Regulations, according to an order recently received by the Municipal Government of Greater Shanghai from the ministry.

The attention of the local government was called by the order to the fact that many publicatons in Shanghai are deliberately ignoring the geverнmental regulations on registration, which, it was pointed out in the document are primarily designed as a check on the growth and spread of reactionary and undesirable thought. The order added that the Ministry of Communications has been asked to instruct the postal administration not to grant second-class mail privileges to such publications.

Roy Chapman Andrews Says Manchukuo Promises Cooperation

In a recent interview at Peiping with *Reuter*, Roy Chapman Andrews said he had been promised the cordial support of Manchukuo in his forthcoming expedition to the Central Asiatic plateau. Dr. Andrews drew a sharp contrast between the Manchukuo attitude and that of the Chinese authorities who stopped the work of his expedition in mid-air just when he was on the point of crowning the labors of ten years. Dr. Andrews described the Chinese attitude as that kind which cuts off the nose to spite the face. As a consequence of China's refusal to accept his conditions, Dr. Andrews continued, instead of receiving great collections at absolutely no expense to herself, China will now get nothing. The National Government has issued a statement explaining its position in the matter. Mr. Andrews has in the meantime returned to the United States. He stated before he left that his next expendition will use Manchuria as its base.

Fukien Province Ordered to Stop Illegal Levies

The abolition of what virtually amounts to an illegal levy on goods passing Yenping and Shuikow, Fukien, on the Min River, is ordered by the Ministry of Finance in a communication to the Fukien Provincial Government. According to reports in the hands of the Ministry, the Provincial Authorities have issued a public loan to raise funds for the construction of the Yenping-Shuikow Highway. In order to obtain subscriptions to the loan, all goods passing the two cities on the Min River are required to subscribe at the rate of $2.50 per cent, on merchandise in transit.

Although such a levy is not literally a tax, the Ministry declares, it is in effect the same, therefore illegal, and must be immediately abolished.

Government to Aid Silk Industry in Kiangsu and Chekiang

The Central Political Council, has passed a resolution authorizing the Chekiang and Kiangsu Provincial Governments to issue jointly treasury bills to the amount of three million dollars for the relief of the silk cocoon industry in the two provinces. Funds from the subsidies which the Government has granted to the two provinces to meet deficits in revenue resulting from the abolition of likin will be earmarked as security for amortization of the loan.

Japanese Diet Hears Report on Inukai Assassination in Camera

At the Government's request, a session of the Japanese House of Representatives was held in camera in the afternoon of August 27 when Mr. Koyama, Minister of Justice, made a report in detail on the May 15 Incident, in which Premier Inukai was assassinated by certain radical elements and an attempt was made to plunge the whole capital into darkness by destroying power stations.

Japan Now Also Has a Prohibition Movement

A prohibition campaign was launched in Japan September 1, incidental to the tenth anniversary of the Yokohama-Tokyo earthquake. The dry forces are led by the Japan People's Prohibition Federation. Eighty-seven organizations are taking part in the dry campaign. The Department of Education, the Home Office, the prefectural governments and municipal offices are lending their support.

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Little by little the tired feelings, physical weakness, headaches, nervousness and other symptoms disappear, driven away by the new supplies of rich pure blood which the pills help the system to create.

Mons J. Lacouttere.

Mons. J. Lacouttere, of Sebastopol Place, Tourcoing, France, recently wrote our Paris office demonstrating this. "For many years," wrote Mons. Lacouttere, "I suffered from anaemia, with stomach weakness and other troubles. I tried in vain several treatments. But after deciding to try Dr. Williams' Pink Pills I found that within the first week the improvement in my health was very noticeable. After two weeks treatment all my troubles had vanished and afterwards I gained more strength from day to day. Now—and I owe it to Dr. Williams' Pink Pills alone—my health is perfect."

Obtainable from chemists and medicine dealers everywhere, Dr. Williams' Pink Pills, the Dr. Williams Medicine Co's blood and nerve tonic. Refuse all substitutes.

Unprecedented Low Prices for Manchurian Produce

(From the Review's Correspondent at Harbin)

The general conditions on the Manchurian market for all kinds of trade, due to the prolonged fighting and the unsettled political situation in the country, continue to be uncertain. Demand for all kinds of goods is very low due to scarcity of money among the population, who both receive their earnings and meet their obligations in an irregular way, which, together with the slashing of salaries of servants of all kinds of business enterprises in the country, has very much reduced the purchasing ability of the population of the Manchurian cities. And the slow export from the country and the unprecedentedly low prices for the Manchurian beans, cereals, and animal products have deprived the market of the village buyers.

Because of no demand whatever on the part of American and European merchants for the Manchurian (Mongolian) sheep wool it has fallen in price this season as low as $2.70, local currency, per pood. This is a low price indeed, as compared to that prevailing on the market during the past ten years, when the price for wool kept the level of $10, local money, per pood.

There are no buyers at all for sheep skins, hides, pelts, etc. A Russian merchant of Hailar, emporium of raw products in Barga District, who has his own tannery in that town said to the author of this report that he has on hand 30,000 sheep skins and a large number of hides which he cannot sell for want of a buyer. Complaining of the conditions he said, "No matter what low price I ask, it attracts no buyer; nay, if I offered some one to take my skins gratis, there seems to be no one who would take them for they are a burden requiring money to be expended for storage, insurance, taking preventive measures against their being damaged by water, vermin, etc. Nor can I get even a small sum of money from a bank, when I offer to hypothecate the skins as security." These words illustrate the general situation on the export market of animal products large lots of which in the years past were yearly exported to Europe and America.

Cash Transactions Only

The tendency on the market for imported goods has remained inactive; a restriction has made itself felt in respect of credit. Goods are, in most cases, obtainable only for cash. On the retail market, at the European as well as at the Chinese shops, transactions done on the basis of payment in instalments were a prominent factor in the trade. But at the present time this system of transactions has almost entirely gone out of practice; for the customers who were most reliable payers in the past, now, owing to the general economical crisis, are hampered in means and delay payments or fail to pay altogether, as they close their own business for lack of funds or lose their work through being dismissed. The majority of customers to whom the privilege of payment in instalments was allowed were the servants of the C.E.R. But now with their salaries cut down by 50% they have lost their purchasing ability of former days.

Prices for ready made clothes have fallen by 20% as against those of the last year; and this in spite of the fact that the import duty on the textile fabrics has been raised, reaching now for some kinds of textiles 40% ad valorem.

Fancy goods have declined in price and the sale reduced by about 40%, which is an unprecedented drop even for Summer months when the market is usually least active.

The shoe trade and the output of the local factories have considerably declined. But prices for shoes due to a certain understanding reached among the proprietors of the factories and the shoe dealers have remained on the former level; lady's shoes being purchasable at $8, local money, per pair, best quality. And gentleman's ranging from $9 to $13 per pair. The leather of local tanning has dropped in price; and man's shoes of this leather are obtainable at $5 a pair.

Manchukuo Commercial and Industrial Conference Held at Changchun

A "National" Conference for Commerce and Industry was opened at Changchun September 1, and continued for six days, during which various aspects of Manchukuo's commerce and industry were studied. About 50 delegates attended the conference.

China Also Has Her Fatal "Charmers"

(From The Expounder, Canton, Aug, 21)

Half a million dollars are squandered on Lai Ming-fay, sing-song girl and movie actress, by young Cheng Kwok-yau, who is now charged with the murder of George Fung who pinched Fay away from Cheng's bed and board. Fay and Cheng used to live together for six years and would have been properly married but for the objection of his mother who with the conservatism of a New England aristocrat objected to Fay because of her doubtful chastity. Cheng first met Fay in Hongkong when he was about fourteen years old notwithstanding that the sing-song girl is five or six years older. Apparently it was love at first sight, and Cheng proved to be a good lover with large sums of money at his disposal.

Lai Ming-fay, as those who have seen her in the Hong Kong Supreme Court may admit, has some charm but it is to be conceded that some of the professional charmers and entertainers at West Point, Hong Kong are prettier than her. Of course screen stars such as Butterfly Wu, Lily Yuen, and others are far better than Lai Ming-fay. It is therefore Cheng's misfortune to have fallen in love with Fay. Cheng is a notorious spendthrift, and Fay being a typical gold digger would not care to live with Cheng except for his millions. She believes also in variety, and after living with Cheng for some years she left him cold and cohabited with George Fung, a parasite friend of Cheng.

It is popularly passing round in Kong Kong that Fung received some money from Cheng to marry a wife and practically depended upon Cheng for a living. Fung had no money of his own nor had he any substantial job. So Cheng was furious when George Fung not only spent his money but took away his favorite mistress. Last March, Fay and George were walking arm in arm along Village Road when a bullet shot from behind ended his young but gay life. Now Cheng is on trial for life for instigating the murder. While there is no direct evidence against him, the shadow of the gallows hangs low over his head.

Millionaire playboy and professional beauty always afford interesting materials for news associations and syndicate writers. Such "affairs" happen all round the world. Right now one Smith Reynolds of Winston Salem, N.C., U.S.A. was killed allegedly by his beautiful wife, Dibby Holman, one-time well known Broadway actress. The young man was heir to a G.$20,000,000 share in the Reynolds tobacco fortune. He first saw Libby on the footlights chanting a fascinating song and decided to acquire her. The young millionaire threatened to commit suicide if the songster refused to marry him, and being impressed by his millions she consented. Now this young woman is alleged to have shot her husband in conspiracy with one Ab. Walker, secretary to Smith Reynolds.

Big fortune and professional charmers are both dangerous. They lead the owner to early and untimely death. The gold diggers are also grave diggers. Money is desirable, but too much wealth may bring undersirable results as in the foregoing cases.

German Aviators Arrive in Tokyo on Round-the-World Flight

The German aviator, Captain von Gronau and three companions, arrived at Kasumigaura airdrome near Tokyo at 3.35 p.m. September 4, completing the last stage of their flight to Tokyo, after having successfully crossed the Pacific. The German flyers are expected to stay in Tokyo for about one week before leaving for Kagoshima in continuation of their round-the-world flight. The intrepid German aviators have already covered 16,000 kilometres in 62 days since they started from Germany July 5.

On his return flight, Captain Von Gronau will fly via Kagoshima, Shanghai, Hongkong, Manila, Dutch Indies, and Suez, back to Germany.

Ministry of Finance to Reduce Staff

Drastic reduction of the staff of the Ministry of Finance so as to curtail administrative expenses has been ordered by T. V. Soong, Acting President of the Executive Yuan and concurrently Minister of Finance.

An order issued last week called upon the various departmental heads to submit a detailed report on the merit and service records of all their subordinates.

It is understood that after this pruning of superfluous staff has been carried out in the Finance Ministry, the other Ministries and Commissions under the Executive Yuan will also be ordered to be likewise.

T. V. Soong Makes Statement on Manchurian Customs Seizure

T. V. Soong, Minister of Finance, made the following statement on September 2 regarding the Japanese seizure of the Manchurian Customs:—

"Not a cent of the revenue collected at the Manchurian Customs Houses since the seizures which began in March of this year has been remitted for loan service. Moreover, about two-thirds of the funds that were on hand in banks to the credit of the Inspector-General of Customs at the time of the seizures is still in the possession of the Japanese and/or 'Manchukuo' authorities. Meanwhile China has been carrying on the service of loan and indemnity obligations, amounting to about Sh. Tls. 13,000,000 monthly.

"In view of Japan's callous disregard for the rights and interests of holders of securities, a comparison of the prices of two securities of the Japanese and Chinese Governments with similar maturities is illuminating.

	Price April 1, 1932, about which time Japanese interference with Manchurian customs began	Price Sept. 1, 1932,
Chinese Reorganisation Loan, 5 per cent., (1913-60)	62	68
Japanese Sterling Loan, 6 per cent., (1924-59)	79	68⅛

"The yield of the Chinese issue at the prices of September 1 is about 7.8 per cent. and of the Japanese issue, about 9.2 per cent. Thus these Chinese 5 per cent. bonds now sell for about the same price as the Japanese 6 per cent. bonds."

Mr. Soong, commenting on the recent Japanese statement that the imports into Dairen had increased, pointed out that the figures were based on depreciated yen; figured in Chinese currency there was no increase.

"Hsingkuochun" Officers Arrested in Honan

A correspondent at Kaifeng, Honan, states that recently, several commanders of the so-called Hsingkuochun or National Rising Army have been arrested in the province—among them Tsao Tien-ching, commander of the 6th army of the 3rd route, Li Ching-to, commander of the second division, and Chang Yu-ching, a brigade commander and concurrently a vice division commander. On August 18, a battalion commander of the same army, was arrested at Linpao, West Honan. This battalion commander supplied money, ammunition and guns to the bandits, with a view to making use of them in secret activities. It will be recalled that several Hsingkuochun commanders had been arrested in the spring at several places last province.

General Chiang Kai-shek Does Not See Admiral Sakonji

A Hankow message September 1 stated that when Vice Admiral M. Sakonji, commander of the Japanese Third Fleet, returned and visited that city aboard the destroyer *Hagi*, he suggested an interview with General Chiang Kai-shek but the proposal was declined "because of General Chiang's illness." A dinner party was given that evening by the admiral to which General Hsia Tou-yin, chairman of Hupeh province, and other Chinese commanders were invited.

Confucius Day Is Observed by Manchukuo

In view of the fact that the newly born state of Manchukuo has taken the doctrine of Confucianism as the standard of national morality, Confucius Day was celebrated September 3 with grand fetes throughout the Three Eastern Provinces. At Changchun, a ceremony was held in the Confucian shrine with Premier Cheng and other high officials of the Government in attendance. The banks, Government offices, schools and other public institutions declared a holiday.

Shanghai Customs Raid Chinese Clock Store

The Shanghai Customs authorities September 2 seized and removed from the wholesale warehouse of a Chinese firm in the Settlement a huge quantity of watches and clocks, valued at approximately $100,000, on the suspicion of their having been smuggled. The goods were removed to the Customs strong rooms where they are being held pending production of documents, to show that the proper formalities were observed and duties paid when the goods entered China.

In the United States Court for China

In re.
Estate
of
MORRIS HIRSHORN
Deceased

Cause No. 3466
Special Proceedings No. 794
NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of MORRIS HIRSHORN, deceased, to present the same with vouchers to the undersigned on or before February 27, 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

DONALD E. ROBINSON
Administrator
26 Whangpoo Road,
Shanghai.

Shanghai, China.
August 22, 1932.

CUSTOMS NOTIFICATION NO. 1235

With reference to Harbour Notification No. 7 of 1932, concerning the wreck of the S.S. "Kittawa" in the Astrea Channel, the public is hereby notified that this wreck, having been abandoned by her owners as a derelict, without any intention on their part of resuming ownership, has been duly taken possession of by the Chinese Maritime Customs.

The public is also cautioned against entertaining overtures from anyone either to sell the wreck or the cargo contained therein and is informed that no salvage operations will be permitted save by permission from the Commissioner of Customs.

(F. D. Goddard)
Commissioner of Customs,
Officiating.

CUSTOM HOUSE,
Shanghai, 2nd September, 1932.

CUSTOMS NOTIFICATION NO. 1236

With reference to Customs Notifications of the 17th May and 29th July, 1932, concerning the abolition of the Export duty and surtax on silk (Export Tariff Nos. 180-184 inclusive), the public is now hereby notified that, in accordance with Government instructions, as from the 18th August, 1932, this duty-free treatment is to be extended to silk wadding (Export Tariff No. 186), silk yarn and thread (Export Tariff No. 199), clothing and articles of personal wear, whether made of natural silk or natural silk mixtures [Export Tariff No. 212 (a) and (b)], and also textile products, n.o.p.f., made either of natural silk or of natural silk mixtures (Export Tariff No. 213).

H. O. Tong,
Superintendent of Customs,
F. D. Goddard,
Commissioner of Customs,
CUSTOM HOUSE, Officiating.
Shanghai, 2nd September, 1932.

Men and Events

The Japanese Emperor has contributed Yen 40,000 to flood relief in North Manchuria.

Mrs. Morris J. Harris, wife of the Shanghai correspondent of the *Associated Press*, has returned from a vacation trip to Peiping.

F. Halbekron, managing partner of the German Manufacturers' Association, arrived in Shanghai from Germany via America recently.

Ma Sze-tsung, prominent musician of Canton, who gave a successful concert in Shanghai three years ago, has again arrived here for a second visit.

O. J. Todd, engineer, who has been connected with engineering and famine relief projects in Shensi province was in Shanghai for a few days this week.

Prominence was given recently in a Kobe paper to the report that Manzo Oda of the Asahi Silk Company, had made Yen 5,000,000 by the present rise in the price of raw silk.

E. V. Ferrer, Spanish consul-general at Shanghai, who is at present on a vacation at Peiping accompanied by his two daughters, is expected to return to Shanghai next week.

Colonel G. Badham-Thornhill, former military attache to the British Legation in Peiping, and Mrs. Badham-Thornhill, departed from Shanghai for England September 6.

Mr. and Mrs. R. E. O'Bulger of Shanghai have departed for the United States where they plan to spend several months. Mr. O'Bulger is general manager of the Eastman Kodak Company.

Dr. Lo Wen-kan, Minister of Foreign Affairs, returned to Nanking end of last week after conferring with General Chiang Kai-shek, President of the Military Affairs Commission, at Hankow.

E. A. Long, secretary of the Consular Body, the Joint Commission, the Court of Consuls, and the Land Commission, has resumed his duties at the American Consulate General after a holiday in Japan.

Mrs. H. C. Mei, Chairman of the Joint Committee of Shanghai Women's Organizations, has returned from her summer vacation at Mokanshan. Her present address: 12 Edinburgh Road, Shanghai.

Wen Ying-hua of the Greater Shanghai Bureau of Public Safety, who graduated recently from Fuhtan University, departed from Shanghai for Austria during the week to study police administration.

The death occurred at Hangchow September 2 of the Rev. J. Mercer Blain, a well-known member of the Southern Presbyterian Mission. Dr. Blain, who was about 63 years of age, had been in China some 35 years.

Hsieh Chi, Director of the Internal Revenue Administration of the Ministry of Finance proceeded from Shanghai to Tsingtao end of last week on a tour of inspection of conditions in Shantung relative to revenue collection.

C. E. Christopherson, U. S. Trade Commissioner at Mukden, was in Shanghai for a few days last week on a business trip. While in Shanghai, Mr. Christoperson was the guest of Julean Arnold, American Commercial Attache.

The Ministry of War at Nanking is reported to have decided to engage two more German Military advisors. According to available information the ministry has already concluded contracts with two Germans for service in China.

Miss Katherine M. Ball of San Francisco, California, author of "Decorative Motives of Oriental Art" passed through Shanghai during the week enroute to Peiping. Miss Ball is touring the Orient in the study of Chinese and Japanese art.

Rev. and Mrs. F. A. Cox, Rev. and Mrs. E. H. Cressy, Bishop and Mrs. J. Mason and daughter, Rev. and Mrs. P. W. Mills and two daughters, are expected to arrive here from San Francisco on September 16 by the Dollar liner *President Coolidge*,

The Standing Committee of the Board of Trustees for the British Boxer Indemnity Refund held its 9th regular meeting at Nanking September 3. Leave of absence for nine and three months respectively for A. J. Hughes and Yen Te-ching were granted by the Committee. Mr. Hughes is at present in England while Mr. Yen is leaving shortly for Geneva to attend the League of Nations Assembly.

Lin Kuei-chih, a graduate of Yencing University, Peiping, class of 1928, now the manager of an import firm at Soerabaia, Java, will be married to Miss Cheng Lock, former dean of Nanyang School at Shanghai, on September 19 at Soerabaia.

Arther J. Farmer, manager of the Maritime Commerce Department of the Portland (Oregon) Chamber of Commerce, was the guest of honor at the tiffin given by L. R. Schinazi, of the States Steamship Company, at the American Club, Saturday, September 3.

The authorities of the municipality in Tsingtao are stated to be contemplating the enforcement of an order which provides that sing-song girls on the beach shall be dressed in black material trimmed with white to differentiate them from women of respectable families.

E. S. Cunningham, United States consul-general at Shanghai, during the week proceeded to Japan, where he expects to meet Mrs. Cunningham, who is returning from a vacation trip to the United States on the Dollar liner *President Coolidge*, due in Shanghai September 16.

The Japanese War Office authorities have decided to carry out a "good-will" long distance flight in formation between Tokyo and Changchun towards the end of September or the beginning of October. Nine military scouting planes, with 18 officers and men, will participate in the flight.

Ku Meng-yu, Minister of Railways, who recently tendered his resignation owing to administrative difficulties, has resumed his duties in deference to the wishes of other Government leaders. The resignation of Li Hac-chu, Director of the General Affairs Department of the Ministry, has been accepted.

Dr. H. H.Kung, formerly Minister of Industries, sailed for San Francisco on the Dollar liner *President Grant* September 2 to start a detailed investigation into the industrial developments in America and Europe for the National Government. He was accompanied by Jabin Hsu, his secretary, and other officials.

The two officials of the Japanese Legation who were sent to Shensi to trace the whereabouts of Koto Koizumi, who is reported to have been murdered together with Messrs. Ekvall and Tornvall, returned to Peiping end of last week after a fruitless search.

The Central Party Headquarters at Nanking has opened a new 75 kilowatt radio station, stated to be one of the finest of its kind in the Far East. It will broadcast speeches, news and entertainment on a 440 metres wavelength. It is stated that there is no corner of China which will not be able to pick up this new service.

The Central Government has sanctioned the appropriation of $5,130,000 from proceeds of the Salt Surtax in Kiangsi for the construction of four main highways in that province. The highways are those connecting Kiangsi with Chekiang, Fukien, Kwangtung and Hunan.

Six hundred bales of American cotton which had been landed from the s.s. *Silver Walnut* were damaged by a fire which started in the Dollar godown at Pootung opposite Shanghai, on the morning of September 3. Prompt work by the Fire Float and Customs fire boat prevented the godown from being entirely destroyed.

Messrs. Chang Chi-pao, dean of the educational faculty at Nanking, Li Hsi-moh, dean of the Chekiang Engineering School, Yang Lien, a professor at Peking University, Kuo You-sou, director of the Department in the Ministry of Public Instruction and Lia Chiang constituted a group of Chinese students who arrived in Warsaw, Poland, Sept. 4.

Mrs. Margaret Proctor-Smith, of Louisville, Kentucky, U. S. A., who was in Shanghai recently has taken up her permanent residence in Peiping, where she is a guest of Dr. Yamei Kin for the time being. Mrs. Proctor-Smith, who is a prominent clubwoman in her home state, divides her time between travelling, writing, lecturing, and singing.

Hu Li-su, alleged "traitor and tool of the Japanese," who seized control of Chapei during the Japanese occupation of that area, has been sent to Soochow for trial. Shortly after his arrival, he was subjected to a preliminary examination by the procurator. He will shortly be brought before the Kiangsu Higher Court to answer charges of high treason.

David A. Brown, chairman of the board of Directors of the China Famine Relief organization of the United States is due to arrive in Shanghai some time during the latter part of this month. His stay here will be the beginning of a general inspection of relief conditions throughout China and is expected to inaugurate a rehabilitation campaign that will surpass any previous relief plan.

Who's Who in China

Kai-chan Yu, Government official; native of Kwantung; after completing his studies at the Technical College of Liang-Kwang (Kwangtung and Kwangsi), he attended the Law School of Peking Government University and was graduated in 1918; following graduation, he entered the judicial service and concurrently taught law at various law schools; was appointed principal of the Law School of the Chunshan University at Canton, 1925 and concurrently chairman of the Military Law Commission of the Canton Nationalist Government; participated in the Northern Punitive Expedition in 1926 and was appointed to a post in the Administrative Affairs Department of the Generalissimo's Headquarters of the Revolutionary Army; following the capture and occupation of Hupeh, was appointed director of the Bureau for the Disposal of Confiscated Properties of Hupeh; later, appointed president of the Procuratorate of Higher Court of Hupeh; chief-secretary of the Department of Agricultural Administration; director of the Judicial Affairs Bureau of Kwangtung and concurrently director of the Revenue Department of the Ministry of Finance; now counsellor of the Ministry of Industries; address: Ministry of Industries, Nanking.

Kaichan Yu (Yu Kai-chan)

余愷滿

余愷滿，廣東籍，在兩廣高等專門學校畢業後，入國立北京大學法科，民七畢業後，即在司法界供職，同時兼任法政專門學校教授，十四年，任中山大學法學院院長兼任國民政府軍法委員會主席，十五年隨軍北伐，任國民革命軍總司令部政務局職務，克復湖北後，任湖北清理逆產處處長，高等檢察所長，農政部秘書長等職，廣東護黨之役，任廣東司法所所長兼財政部總稅務處處長，現任實業部參事。

Opening of Branch Chinese Consulate at Osaka Evokes Japanese Ire

The Chinese Consulate in Kobe established a branch office in Osaka at the end of last month with a view to facilitating the issuing of consular invoices as demanded by the Chinese Government as from September 1. A *Rengo* message from Tokyo states that as the step which has been adopted by the Chinese Government has been taken without obtaining the consent of Japan and in disregard of international practice, it is thought the Japanese Government may take the drastic measure of ordering the newly established Chinese office at Osaka to be closed.

Two Hundred American Railway Cars Being Assembled at Pukow

A Nanking telegram states that 200 railway cars of the "Pacific" type, which recently arrived from the United States and are now being assembled at the railway workshop at Pukow, will shortly be put into service on the Tientsin-Pukow Railway. The new cars comprise 60 steel coaches, 24 2nd and 3rd class cars, and 120 freight cars. Twelve locomotives are also due to arrive in the near future.

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New Books of Interest in the Far East

Japan, the Divine Bluffer

The Chinese-Japanese Puzzle: A Study of Origins, Causes and Effects, by Neville Whymant. Published by Victor Gollancz. Ltd., London.

This 159-page paper-bound book, by a former assistant in Chinese and Japanese at Oxford University, former lecturer in Chinese and Japanese in the University of London, and professor of Oriental classics and mythology in Tokyo universities, is one of the most illuminating of all the volumes that have been inspired by the present Sino-Japanese crisis.

Professor Whymant knows both the Chinese and the Japanese through first hand observation and, what is much, much rarer, through intimatcy with their spoken and written languages,—which is, beyond doubt the key to a profound understanding of any people. A knowledge of language alone is, of course, not sufficient for a thorough grasp of any country, for in the final analysis sociology (including anthropology and economics) must be called upon to explain the facts that philology uncovers, but the necessity of a philogogical approach—particularly in the studies of Oriental peoples where the languages are so radically different from those of the west—cannot be over-emphasized. For language far more than any other aspect of life most clearly reveals the psychological processes incident to its development and use.

Since so much time is required to become a scholar in Oriental languages, it usually happens that the most competent sinologues and japologues (if such a word is permissible) are tragically deficient in other sciences, and Professor Whymant appears to be no exception to this rule, but fortunately he rarely ventures beyond observations outside of the field in which he is an expert. He apparently knows Japan and Japanese far better than China or Chinese, and so the most valuable (and extended) part of his book is devoted to Japan. Here some of the information he presents is most devastating and intriguing, and it offers a major challenge to sociologists to explain and integrate into universal anthropology.

Quoting Professor B. H. Chamberlain, perhaps the greatest of all japologues, that only two of all the things found in Japan are of native origin—the bath-tub and Japanese poetry,—Professor Whymant cites that in the days before the advent of the westerners in the Orient, Japan obtained so much from China that she invariably referred to her mentor as "Grandmother China." Almost everything except Japan's indigenous pastoral culture was obtained from China, including almost three quarters of the Japanese language itself. Subsequently, when this fact was discovered by the westerners with whom Japan was trying to get in step it was a very sore point indeed with "Dai Nihon," and while it is perhaps a bit too fanciful to attribute, as Professor Whymant does, any large portion of the present anti-Chinese sentiment in Japan to this "inferiority complex," it is very likely not without considerable importance in Sino-Japanese relations.

One thing, however, that the Japanese never imported from China was abstract thinking. "The Japanese mind," says Professor Whymant, "is not philosophically inclined, and.....Japan has not as yet produced a single philosopher, nor even a speculative writer worthy of introduction to the Western world." Here is a fact of considerable significance, for however alien the intricacies of philosophy may appear to a person who prides himself on being practical, truly realistic philosophy synthesizes past, present and future with precision that is impossible to otherwise attain. While, in the opinion of this reviewer, Chinese philosophy has never reached the superb heights of the best in the west—Kant, Hegel and Marx, for example—it is at least as profound as any that preceded Kant and upon which Kant builded and Hegel and Marx developed. And all major western lands have been blessed with at least some philosophic outlook. In fact a country without a philosopher, like Japan, can only be set down as unthinkable—and unthinking.

Another interesting point brought out by Professor Whymant is that the Chinese language, despite all its difficulties, has a syntax not radically unlike many western languages "so that the thought processes of the speakers would seem to be similar," while Japanese syntax is "topsy-turvy" to "the Anglo-Saxon mind" and "it is necessary to think backwards in order to speak fluent Japanese." In this connection Whymant brings out clearly an idea quite at variance with that of more superficial observers, viz., that China is fundamentally more akin to the west than Japan.

Whether it is a strictly personal opinion or not, this reviewer cannot say, but Professor Whymant opines that "in personal character, charm and even in intellectual worth, the Japanese woman is streets ahead of the best man the country has so far produced." Citing that "the Japanese affect to despise women" and regard them as chattels, he says that "those. . who have seen for themselves how Japanese boys are brought up, pampered, petted, spoiled, heavily punished, flattered, punished again, turn by turn, are not surprised when the man shows signs of being an intolerable, self-centered egoist," while "in the case of the Japanese woman, at least, sweet are the uses of repression."

Cruelty in Japan is also another point stressed by Professor Whymant. "The people have no nerves," he says, and cites that both animals and humans are brutally treated and major operations are frequently performed by the best surgeons without an anaesthetic.

Insofar as westernization goes, Professor Whymant charges that the Japanese are superficial, have put up "a gigantic bluff," and have spent much effort in getting surface trifles right, but give no consideration at all to the foundations or substructure." He also disputes the popular thesis that Japan is overcrowded, and says that she really has ample room if she remained a pastoral nation to which her economy is adapted, but "by her own election she has become an industrial nation—and this without an atom of coal or iron in her own soil!" This statement, of course, is somewhat exaggerated but his point is correct that Japan lacks the fundamental natural resources within her own borders to become a sound industrial nation.

"Japan faces many problems, at home and abroad," he adds, "but the most pressing of them is the setting of her own house in order," citing, among other things, the curious Japanese prospensity for assassination as a political weapon.

Professor Whymant devotes one entire chapter to what he calls "Japan's divinity complex." "The childish naivete of the Japanese," he says, ". . . . leads them in their printed works to a self-revelation not found elsehwhere in the world. . . . The divinity complex explains everything. There is no deed to declare or deny anything beyond the conviction that the Japanese are of the stock of the gods, that the very earth they tread has been hallowed by the print of the feet of the divine creators of the Japanese archipelago. It is natural, therefore, that all other peoples are 'barbarians' . . . . The Japanese are firm believers in the efficacy of constant repetition. By means of it the leaders of the nation have, in the past, convinced themselves and the people of their divine destiny, and it is hardly to be wondered at that among professional military men there is a profound conviction that the Japanese have risen to power in order to rule the earth."

The gravest defect of such a book as Professor Whymant's is that the uninformed may conclude from his observations that the Japanese are a fundamentally different race of people from the rest of the human family, a thesis that scientific anthropology cannot substantiate. People are different, vastly different in many respects, but once all factors are taken into consideration about any given group, differences are found to be either environmental or due to inferior mental and physical development, as in the case of certain savage tribes. And, while their thinking has never reached a high level, the Japanese as a whole could not be called an inferior people in the scientific sense of that phrase.

Therefore, their environmental history must be called upon to explain their unique characteristics. This reviwer lacks sufficient data to venture any conclusions in this field except that the Japaanese divinity complex is of relatively recent origin, going back no farther, in fact, than the "restoration" when bushido and the whole divine emperor bunk was foisted on the ignorant masses by the small and clever group that laid the foundation of modern Japan. Thus, this divinity complex developed out of an adroit political rationalization that made the profound changes of the "restoration" more palatable to the public. Since then it has become the chief source of strength of the military machine, and it must be obvious that so fanatical a delusion drilled into the last three generations of Japanese by their government is a major menace to the peace of the world.

W. B.

Shanghai, September 3, 1932.

History Re-told

The Chinese-Japanese Puzzle, a study of Origins, Causes and Effects, by Neville Whymant 158 pages. Victor Gollanz Ltd., London, 26 net.

Gospel of Sun Chung Shan, by Paul Linebarger, Brentanos, Paris. 253 pages.

Professor Whymant, sometime lecturer in Chinese and Japanese at the University of London, and apparently now professor of Oriental Classics and Mythology in Tokyo Universities, devotes most of his brief book to a review of the historical events which have brought China and Japan to their present impasse. There is nothing new in his facts, but the presentation and interpretation of them is equitable and at times fresh and novel.

Most engaging passages of Professor Whymant's book are those discussing early feudal life in Japan, a subject to which he has devoted himself with some enterprise and originality; social conditions in Japan and China during the nineteenth century; the cultural relationship between Japan and China; and what the author calls "Japan's divinity complex," meaning the theocratic conception of society which still prevails among China's island neighbors. Of the last Professor Whymant writes:

"Universal history would, if taught in Japan as it is taught in other parts of the world, disagree violently with the early Japanese accounts of the divine origin of the Japanese people; so universal history must be molded to fit Japanese conceptions. A brilliant Japanese scholar who set out to show how Japanese history took its place in general world history was denied his degree because he assumed that certain incidents in the early history of Japan were purely legendary and not susceptible of proof. To the Japanese mind no proof is needed. The science of anthropology may take its usual course so far as other peoples are concerned, but with the Japanese a certain line *must* be pursued. The first professor of anthropology had to 'discover' that the Japanese people were not of the Yellow Race, but were white! And to this day this absurd fiction still obtains in official and 'scholarly' circles. No wonder the Japanese are convinced of their divine origin when even mighty science can be bent to their will!"

And the author, expanding upon the divine-descent legend of the Japanese emperor, states that in varying degrees, all Japanese subjects believe they are of divine stock. "They are essentially different from other peoples, who have no pretensions to an Olympian origin. Japanese conviction on the underlying truth of this conception would be amusing in these days if it did not lead to so many tragic misunderstandings."

An interesting observation is that "out of this conviction of divinity springs that prominent characteristic of the Japanese—aggressiveness. Once committed to a course, nothing on earth will induce a Japanese to forsake his hold. . . The decision arrived at is by one of the chosen people; it cannot be wrong."

Professor Whymant's book is provocative for the many generalizations it contains about both the Chinese and Japanese peoples. Emboldened by long residence in the Orient, he makes many assertions which the average writer avoids, for it is dangerous to dogmatize. He is never offensive, however, his viewpoint is extraordinarily cosmic and he has an active sense of humor. His book is worth reading as an interpretation of the social and cultural forces which have helped to create history. If you overlook the fact that he pays only negligible attention to the economic impulses that explain much of the enigmatic in both China and Japan his summation of their civilizations, magnetic yet repellent is not inaccurate.

Paul Linebarger retired U. S. judge, who joined Sun Yat-sen's movement when most of the present Kuomintang leaders were adolescent, has compiled in the "Gospel of Sun Chung Shan" a record that is in many respects a unique commentary on the strange genius of the Chinese Revolution.

His book is incoherent, disjointed, full of directionless enthusiasms, apparently without plan, scarred with mixed metaphors and wildly mixed ideas, difficult to read and impossible to understand. Only a thread of confused idealism and myopic hero-worship gives theme to the curious potpourri made up of extracts from diaries, speeches, conversations, letters, and so on.

Of course the Revolution was itself like that, and so was Sun Yat-sen. Both were big with significances poorly analyzed and dark with bewilderment, yet containing a certain essence of the epic and a fiery, vigorous movement of humanity.

Judge Linebarger's book is curious among volumes that have come under this writer's purview. It contains no

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NOTICE

To Subscribers

(*Residing Overseas*)

Dating from August 1, 1932 the subscription rate for persons residing outside of China has been reduced from G.$10 a year to G.$8 a year, including postage.

The new rate applies to subscribers residing in the United States, Canada, Europe and Russia.

The new rate, estimated in the currency of the Federated Malay States is equivalent to s. s. $15. In India, Australia and other places using English currency the rate is equivalent to £2:8:0.

The China Weekly Review

38 Avenue Edward VII

Shanghai.

index, no list of chapter headings, indeed no chapters. It seems to aim, in general, to follow the travels of Sun Yat-sen from 1906 till his death, and the role which Judge Linebarger played during this period, and subsequently. In the pages halved and quartered by heavy black lines, as of mourning, there are doubtless phrases and sentences of historic interest, but the laborious process of searching them out from the maze of gaseous, propagandive, of times puerile, material is one which will appeal to few.

It should be explained that this book is acknowledged by the author as a "makeshift." The deepest sympathies are due him because of the circumstances which made it impossible to produce "a far greater work, exhaustively documented and infinitely detailed, which was irreparably destroyed beneath the fury of the Japanese guns in Shanghai last January," when the Commercial Press was completely gutted by fire. "The original manuscripts," comments Paul Linebarger, Jr., in a foreword, "together with masses of documentary material, was lost in the flames that burned the greatest educational center in modern China. . . Only fragmentary proofsheets remain to the author to show him that his written life-work was ever completed."

It is regrettable that Judge Linebarger did not have the prudence to retain a copy of the greater work. It is also regrettable that he did not withhold this published volume long enough properly to construct it, edit it, and present it in more readable form. There seems to have been no good reason for the haste with which obviously it has been put together.

Photographs contained in the book are perhaps its most interesting feature. Some of them show Kuomintang leaders as they appeared a generation or so ago, before the vicissitudes of struggle had definitely marked character in their faces. There is one photograph of Sun Yat-sen which shows at the age of 18 a face of fine balance and grave beauty.

S. E.

The *India Review* is the name of a new monthly journal founded in New York City, with Haridas T. Muzumdar as editor. One of the contributors to the September issue is Srinivas R. Wagel, former financial editor of the *N. C. D. News* in Shanghai.

The Birmingham (England) Bureau of Research on Russian Economic Conditions has issued a Memorandum (No. 6) on the wages of industrial workers in the U.S.S.R. Copies can be obtained in the United States from Douglas Williams, 65 East 55th Street, New York City.

READERS of *The China Weekly Review who* may be interested in obtaining copies of any books which have been reviewed in these columns, may obtain them by sending their orders in care of *The Review*....If obtainable in Shanghai the books will be mailed immediately at retail prices prevailing in Shanghai, plus postage, or if not obtainable here, they will be ordered from the publishers abroad. Send orders or inquiries to Book Editor, *The China Weekly Review*, 38 Avenue Edward VII, Shanghai.

Former Shantung Provincial Head Under Arrest

Teng Chung-shih, former Acting Chairman of the Shantung Provincial Government during the Northern Yen-Feng Coalition Government, was arrested by order of General Han Fu-chu, Chairman of the Shantung Provincial Government, August 29 and handed over to the military authorities for court-martial. It is learnt that his arrest is due to the fact that when the Shansi troops were forced to evacuate Tsinan two years ago, Teng, then Acting Chairman, demanded a sum of $36,000 from the local banks and detained the bank managers at the office of the Provincial Department of Finance until the sum was paid over to him.

Dr. Lo Chia-lun Takes Up Post as President of National University

In conformity with previous orders of the Executive Yuan, Dr. Lo Chia-lun, newly appointed President of the National Central University, at Nanking took up his post at the beginning of this week. Dr. Lo in accepting the post stressed that the Executive Yuan should appropriate the allocated funds for the University regularly and in full. As President of the University, Dr. Lo insists that he must be free to use his discretion to make whatever innovations in the administration he may deem desirable; and, finally, that the Yuan should give every assistance in its power for the carrying out of such constructive schemes as he may recommend.

Upon the recommendation of Dr. Chu Chia-hua, Minister of Education, the Executive Yuan, at its meeting September 2, accepted the resignation of Hu Shu-hua from his post as President of the National Tung Chi University and appointed Wang Chih-lung as his successor.

The National Tsingtao University having been renamed National Shantung University, the meeting accepted the resignation of Yang Chen-sheng from his post as President of the National Tsingtao University and promoted Chao Chi, Dean of the University, as President of the new National Shantung University.

Death of W. S. Fleming, Prominent Shanghai Lawyer

The death occurred in Shanghai from heart failure during the night of September 1 of William S. Fleming, prominent American lawyer, at the age of 55. Mr. Fleming was the senior member of the legal firm of Fleming, Franklin and Allman. He first came to Shanghai in 1907 from Honolulu, where he had served as deputy attorney general. He was a member of the Shanghai Club, the American Club, and the Columbia Country Club, in addition to several other clubs. He is survived by his daughter, Mrs. C. B. Culbertson, and a brother and sister, all now in California.

The funeral took place at the Hungjao cemetery, September 5. The last rites were conducted by the Rev. Father S. J. McDonald of St. Joseph's Church. The casket was carried to the graveside by Messrs. F. J. Raven, C. S. Franklin, H. Arnold, N. F. Allman, H. E. Schumacher, Wm. Morris, E. C. Stocker, and J. E. Swan.

Plenary Session of C. E. C. Definitely Postponed

The 3rd plenary session of the Central Executive Committee, which, according to original plans, was to have been convened within the current month, has been indefinitely postponed by a resolution of the Standing Committee of the C.E.C. adopted at Nanking September 3. The postponement is deemed necessary because of the fact that a number of C.E.C. members are now engaged in bandit-suppression duties in various provinces, and will not be able to attend the session if it be held this month. The meeting also decided that during the period of postponement, the Party authorities should redouble their efforts for the improvement of the Party administration. Although no date has been set for the convocation of this important session, it is pointed out in Party circles here that, at the latest, it must be held in November, as there are many pressing problems awaiting solution.

T. V. Soong Presides at Executive Yuan Meeting

The 59th meeting of the Executive Yuan was held at Nanking August 30 under the chairmanship of Acting President T. V. Soong. With the exception of General Ho Ying-chin, Minister of War, who is directing the bandit-suppression campaign at Nanchang, and General Huang Shao-hsiung, Minister of Interior and Acting Minister of Communications, who is on leave in Kwangsi, all the cabinet ministers were present. The resignation of Hsu Chi-ching from his post as Director of the Central Mint in Shanghai was accepted, and Kuo En-ming appointed as his successor. The meeting also accepted the resignation of General Chang Fa-kuei, Commander of the 4th Army (the "Ironsides"), who has repeatedly submitted his resignation. His subordinate, General Wu Chi-wei, Commander of the 90th Division, was promoted to succeed General Chang. Fang Chih-chen was appointed a member of the Central Overseas Affairs Committee in succession to Chang Yung-fu, resigned.

Shanghai Police Prevent Kidnapping by Japanese Marines

On Friday evening September 2 towards nine o'clock, two truckloads of Japanese Marines, about 80 in number, swerved off The Bund into Nanking Road against the traffic lights and in doing so almost knocked down a Chinese youth engaged as a track greaser on the street car line. He allegedly used a choice expletive, the truck stopped just for a moment, several Marines grabbed the youth, slung him on to the truck, which was about to start off again, heedless of the warning of the Sikh policeman on point duty. As the Japanese truck commenced to move the Sikh policeman jumped on the running board of the truck, several other policemen and also several foreigners from the Palace Hotel took positions in front of the car and blocked the path. A hurry call to Central Police Station brought a platoon of police, together with several foreign police officers to the scene, and the police demanded and enforced release of the Chinese youth, whom the Japanese Marines were about to kidnap in characteristic fashion. The Japanese remonstrated but the police were obdurate and took possession of the Chinese, who was lying bruised on the bottom of the truck and around whom the Marines had formed a cordon.

The whole party, including the Japanese Marines and the Chinese youth then proceeded to the Central Police Station and reports are somewhat meagre as to what happened there. At any rate the Japanese Marines did not take away the Chinese streetcar employee.

When "Direct Action" Failed

Naturally enough the incident has created a furore in Japanese circles. It has been practically the first time since the Japanese invaded Shanghai last January that any Marine, or other Japanese unit, has been thwarted in an attempt to take "direct action." The Japanese news agency accounts stress the point that the foreign Municipal Police used revolvers in demanding the release of the Chinese "prisoner." According to the Japanese *Press Union*, "the worst incident occurred when two foreign constables, somewhat encouraged by their success in taking away the prisoner from the hands of the Japanese Marines, now insisted upon a Japanese non-commissioned officer accompanying the police, to which the Japanese expressed objection. A short melee then ensued."

The Japanese telegrams also mention that a great deal of the trouble was due to language difficulties—which is doubtless true. But the fact should not be lost sight of that there is one thing that everybody understands, and particularly the Chinese public, namely that Japanese Marines were on this occasion stopped from taking the law into their own hands by the Municipal Police, and as a result Municipal prestige has been considerably enhanced.

Naval Officials Are Resentful

The Japanese telegrams further mention that the Japanese naval quarters are expressing resentment at the fact that Japanese sailors in uniforms have been menaced by Municipal Policemen at the point of revolvers and that a marine driver was hit in the face with no apparent reason. It is reported that the Japanese navy are determined to reach satisfactory settlement of the affair, which they regard as the repetition of the Chapoo Road Incident of 1927. In this connection it may be mentioned that the Japanese naval forces have been considerably increased here, among the recent arrivals being the *Idzumo*, flagship of the Third Squadron—which narrowly escaped destruction by a bomb in the Whangpoo March 1. Another cruiser, the *Tenryu*, has also arrived here, together with four destroyers and five gunboats. Japanese warships are strung all along the Yangtsze.

The incident has been the subject of an interview between Commander Higuchi, a staff officer to the local Japanese Naval Landing Party, and A. D. Bell, Chairman of the Shanghai Municipal Council and also between Captain Baron Samegima, chief of staff to the commander of the Japanese naval landing party, and Police Commissioner Gerrard.

One of the Japanese reports referred to the affair with the Marines as a "minor incident." Other Japanese messages from Hankow, Foochow and various other inland cities state that things are quietening down and that Japanese business there is improving. An exception is made of Canton, where the situation has become more tense. As regards Shanghai, the Japanese *Press Union* gives its own version of a conversation between Captain Sugisaka, commandant of the local Japanese naval landing party and a reporter of the *Sinwanpao*, leading Chinese daily newspaper. Captain Sugisaka pointed out that ceaseless publication of irresponsible and fabricated news in the Chinese newspapers would not contribute to the improvement of relations between the Chinese and Japanese communities, but he denied rumors that the Japanese naval authorities intended to take "drastic steps."

Wen Hung-en Appointed Head of Public Safety Bureau—Aftermath of Opium Scandal

Major General Wen Hung-en has been appointed commissioner of police to head the Bureau of Public Safety of the Municipality of Greater Shanghai, by Mayor Wu Te-chen, to succeed Colonel Wen Ying-hsing, who resigned. The case in which the head of the Confiscation Department of the Bureau of Public Safety was found to have acted at the instigation of Colonel Wen's secretary in allegedly robbing the bureau of confiscated opium weighing more than 2,000 ounces a few days previously is said to have been the cause of the resignation of the former commissioner of police.

The formal installation of Major General Wen has been delayed by the discovery of a shortage of approximately $120,000 from the treasury of the Bureau of Public Safety. General Wen, while admitting the shortage, attributes the deficit to the growing expenditure and the curtailed appropriation from the Bureau of Finance.

An important development was reported in the opium scandal several days ago when Han Ching, a secretary of the Bureau who was implicated as the master mind of the plot to misappropriate confiscated drugs from the bureau, was placed under arrest. Detained in the bureau cells is another bureau officer, Mr. Tsang, director of the confiscated goods department. It is alleged that Tsang attempted to misappropriate the opium from his department by substituting several sacks of "fake opium" to replace the genuine sacks which he had allegedly misappropriated under the direction of Han Ching, the secretary.

Participant in San Francisco Opium Scandal to Be Released Soon

A Nanking telegram states that Sun-yuen, former secretary of the Chinese Consulate at San Francisco who was sentenced to one year in prison and fine of $1,000 in connection with the Kao Ying opium smuggling case, is being released from prison, as his sentence has expired and the fine has been paid by his wife. Mrs. Kao Ying remains in prison. She is experiencing difficulty in obtaining release, due to inability to pay the fine. Her husband was released several weeks ago and has returned to his native province.

Opium as a Remedy for Cholera in North China

Acting on the theory that opium can combat cholera, the Shangtsai district government has relaxed the prohibition laws, according to a message from Kaifeng, the capital of Honan. As a result more than 300 opium shops have been established in Shangtsai alone.

Membership in Guilds to Be Compulsory Hereafter

Membership in industrial or commercial guilds shall hereafter be compulsory, according to a revision of the Guild Law adopted by the Legislative Yuan at Nanking September 3. Under the original provisions of the Laws, it has been optional for corporations or firms to become members of a guild. In a recent petition to the Yuan, the Greater Shanghai Chamber of Commerce pointed out the undesirability of such a provision, as it impairs the usefulness of guilds.

Official Remittances Abroad to Go Through Central Bank

All official remittances abroad should be sent through the Central Bank of China according to an order from the Executive Yuan in identic instructions to all Government organs in the Capital and the various provincial and municipal Governments issued September 2. A Foreign Exchange Department having been recently established by the Central Bank of China, this official institution, it is pointed out, should be given every support by all organs of the Government.

Japanese Bully American Customs Man at Antung

Sir Frederick Maze, Inspector General of Customs, September 3 received the following telegram from R. M. Talbot, Acting Commissioner of Customs at Antung, an American:—

"Securing my presence at farewell dinner last night in Chinese Town by false representations the Adviser and Manchukuo Police Chief—both Japanese—hectored and bullied me for three hours to hand over Revenue balances. I refused sign cheque and only secured release myself and Staff by signing statement that I would wire you again conveying seriousness of Adviser's demands. Adviser stated he would use force to gain his ends. Am informing Japanese and American Consuls of my position."

The revenue concerned was collected and deposited in the Bank of Chosen before the seizure of the Antung Customs by the Manchukuo Authorities last June and aggregates about Hk. Tls. 50,000. Mr. Talbot, acting under the instructions of the Inspector General, has categorically refused to comply with this extraordinary demand.

The above incident was preceded by a somewhat similar one June 30 last, on which occasion Mr. Talbot similarly defied the Japanese in their bullying tactics.

Mr Talbot has in the meantime returned to Shanghai to make a personal report on the incident to Sir Frederick Maze.

Many Family Suicides in Japan Because of Economic Depression

Largely due to the economic depression, 590 parents and 821 children lost their lives in 492 cases of family suicide in Tokyo during the two years ending June 30 this year, according to statistics published by the Central Association for Social Works, of Tokyo, on August 27. The number of these family suicides during the last two years is about one and a half times the figure for the preceding three years, during which period 389 such cases were reported. Out of the 492 cases of family suicide during the last two years, the suicides chose drowning in 164 cases and strangling in 125 cases. In 70 other cases knives or other bladed weapons were used, while the other suicides preferred poisons, dynamite or other methods.

As for the causes of these family tragedies, difficulty in earning livelihood was responsible in 153 cases, insanity in 66 cases, ailments of parents in 41 cases and hysterics in 17 cases, the causes in the other cases being undetermined.

Central News Agency Sends Special Correspondent to Geneva

Among the passengers who sailed on the Italian liner *Gange* to Europe when it departed from Shanghai September 5, having on board Lord Lytton and other members of the League Commission, was Koo Kung-cheng, who is proceeding to Geneva as the representative of the *Central News Agency*, the official news agency of the Nanking Government, to report the proceedings of the League Assembly. This is the first time in the history of Chinese journalism that a Chinese news agency has sent its own special correspondent abroad.

Fishery Administration Office Opened at Chefoo

A Fishery Administration Bureau for the Hopei-Shantung District has been created by the Ministry of of Industry. Hsu Sung-fu has been appointed the first director of the Bureau which is to be located at Chefoo, This new organ is the second of four bureaus which are being established by the Ministry. The Kiangsu-Chekiang bureau commenced to function last May; the Fukien-Kwangtung and the North-east bureaus will be established later.

Eurasia Planes in Serious Accidents

Chinese telegrams received from Sianfu September 5 report accidents to two Eurasia planes in Kansu. Number one plane crashed at Yungcheng while making a test flight from Lanchow to Suchow. The German pilot and a Chinese passenger were injured and are now receiving treatment at the hospital in Lanchow. Number six plane employed in the service between Lanchow and Nanking struck a hill and the machine was wrecked. Two women passengers, both relatives of the Kansu chairman, General Shao Li-tsi, were slightly injured.

Industrial Progress in Soviet Russia

(Information Supplied by Tass Agency)

The Moscow press reports with satisfaction that machine-tool building in the U.S.S.R. has become the most powerful branch of Soviet industry. During the past three years production in this industry has increased five-fold. Three great additional plants, one in Nizhni-Novgorod and two in Moscow, are now nearing completion and will have no equals anywhere in Europe.

A most difficult operation in connection with the completion of the Dnieprostroi project has been successfully carried out. The operation consisted in throwing a heavy electrical transmission cable from the right to the left bank of the Dnieper River. The cable, 500 meters in length, is supported on either side of the river by masts 75 meters high.

Preparatory work has been started in connection with the project to construct an electrochemical combine on the Chirchik River near Tashkent. The first units of the combine to be constructed are a two-stage hydro-electric station of 280,000 kilowatts capacity and a nitrogen plant.

A site has been allotted for the construction of a large plant for the production of liquid fuel from coal at Kemeroved, Siberia. An experimental plant has been working for some time.

The new air line, connecting Moscow and Vladivostok, and stretching for a distance of over 9,000 kilometers, will be inaugurated this month. The original flight schedules have been revised to include night flying, so that the entire journey will be made in two days instead of four days as previously planned.

The first gusher has been struck in the Okha oilfield in Sakhalin, giving a daily yield of 500 tons of oil. Drilling of a deep well is now proceeding near the delta of the Selenga River in the Baikal region. The well, at a depth of 100 meters, has reached the fundamental tertiary oil-bearing strata.

The launching of the first oil tanker at the Blagoveshchensk Harbor opens a new page in the history of the Soviet Far East. The Far Eastern region will now be able to use Sakhalin oil instead of hauling its oil from the south. Sakhalin oil will be delivered to Habarovsk where it will be refined in the refinery now under construction.

Many Prisoners Released Under Amnesty Back in Police Hands

The Shanghai Times says that the amnesty granted to Chinese prisoners of certain classes by the Nanking Government has already turned loose over 1,000 prisoners on Shanghai and there are still more than the same number to be given their freedom within the next few weeks. Instead of profiting by their experience many of these have again turned to a life of crime and already 30 of those released have been re-arrested a short time after their liberation. Nearly all this number consists of habitual offenders and several of them were back in police hands within two days after their release. The habitual pocket picker and bag snatcher is the worst offender, although cases of burglary and larceny have brought some pardoned criminals again into the clutches of the law. Official figures obtained from the Shanghai Municipal Police show that up to the end of last week no less than 1,024 prisoners had been released form the Ward Road prison under the terms of the Government amnesty.

Yen 6,000,000 to Be Loaned to Japanese War Sufferers

The Japanese Government September 2 decided to lend about 6,000 000 yen as a reconstruction fund to the Japanese in Shanghai, Hankow and other parts of China and Manchukuo, who suffered losses from the Shanghai and Manchurian incidents. The money will be distributed through the Yokohama Specie Bank.

President Lin Sen to Make Visit to Capital

Messages received at Nanking from Lin Sen, President of the National Government, state that he is returning to the Capital shortly. It is understood that he will spend some time attending to various official duties there before again proceeding to Loyang, the provisional seat of the Government.

During his stay at the Capital, President Lin will receive Count Ciano, newly appointed Italian Minister to China, who is to present his credentials.

Peiping Branch of Military Affairs Commission Formally Inaugurated

The Peiping branch of the Military Affairs Commission, which replaces the Peiping Pacification Headquarters, was formally inaugurated September 1. One of the noteworthy provisions of the regulations governing the Peiping branch is that members of the National Military Commission may direct affairs of the branch Commission. General Chang Hsueh-liang will thus be enabled to participate in and direct the work of the new organ, since he is a member of the National Commission.

General Chang Chun, personal representative of General Chiang Kai-shek, proceeded to Taiyuan from Peiping September 4 in company with General Hsu Yung-chang, Chairman of the Shansi Provincial Government. General Yen Hsi-shan, Director of the Taiyuan Pacification Headquarters, entertained Generals Chang Chun and Hsu Yung-chang to dinner after their arrival. It is understood that after conferring with General Yen relative to various politico-military problems in North China, General Chang Chun will leave for Hankow via Tsinan to report to General Chiang Kai-shek on the inauguration of the Peiping branch of the Central Military Affairs Commission.

Kiangsi Government Official Impeached

The Control Yuan at Nanking has brought an impeachment against General Hsiung Shih-hui, Chairman of the Kiangsi Provincial Government, for unauthorized imposition of a so-called "production and distribution tax" as well as unauthorized modification of the local government system in Kiangsi. The proposal for impeachment was initiated by Chow Lien-sen, member of the Control Yuan, and subsequently upheld by a special Committee of three.

Despite all such repeated injunctions, the Kiangsi Provincial Government has instituted and collected a tax, which it terms "production and distribution tax", being of a nature similar to likin. Recent orders from the Executive Yuan and the Ministry of Finance calling for the abolition of this unauthorized tax have been ignored by General Hsiung. The second charge made by the Control Yuan is that General Hsiung has altered, without due authorization from the Central Government, the system of local government administration in Kiangsi. It is contended that according to the "Outlines of National Reconstruction" as well as laws promulgated by the National Government, there should be no intermediate organs between the provincial and the district (hsien) governments.

Latest New York Stock Exchange Quotations

Market:—Easy Business Done 4,400,000 Shares

Sept. 7, 1932

1931-1932 High	1931-1932 Low	Div.$ per Sh.	STOCKS	Sat. Sept. 3	Tues. Sept. 6
7¼	1⅝	—	Adams Express	7¼	7⅛
87½	42½	•6.00	Allied Chemical & Dye	86	84
14½	4	—	Allis Chalmers	14½	13⅜
73⅞	29⅝	•4.00	American Can	60⅜	59
14⅜	2	—	Amer. & Foreign Power	14¼	13¾
9⅝	1⅛	—	Amer. & For. Power W.	9⅝	9
24⅝	5¼	—	American Smelting	24⅝	25⅛
137⅜	70¼	9.00	American Tel. & Tel.	119	115¾
86¾	44	•5.00	American Tobacco "B"	84	82
34⅛	11	2.00	American Waterworks	32⅛	30⅛
15½	3	—	Anaconda Copper	15¾	17
151¾	28¾	•4.00	Auburn Automobiles	60	60¼
21⅜	3¾	—	Baltimore & Ohio	19½	18⅝
27⅜	7¼	—	Bethlehem Steel	27⅜	28⅛
43⅛	20	•2.00	Borden Company	32	30¼
12⅝	3⅜	—	Borg Warner	11	11⅝
20⅝	7¼	—	Canadian Pacific Railway	17⅝	18⅝
63¾	16¾	—	Case, J. I.	63¾	61⅜
44⅛	19	2.00	Chase Bank	44⅛	Not
20⅝	4⅞	2.00	Chesapeake Corp.	19¾	19
18¼	5	1.00	Chrysler	18¼	19⅜
6⅞	1¼	—	Cities Service Co.	5½	5⅝
20	4¼	1.00	Columbia Gas & Electric	20	19¼
5	1⅝	.30	Commonwealth & Southern	5	4¾
15/16	1/16	—	" " warr.	⅞	¾
68¾	31½	4.00	Consolidated Gas. of N.Y.	64⅞	64½
8¾	3⅝	—	Continental Oil	8¾	8⅝
50	24¾	•3.00	Corn Products	50	48⅞
2¾	⅞	—	Curtiss Wright Co.	2⅜	2¾
57	23	4.00	Drug Incorporated	48½	49
59¾	22⅛	2.00	Du Pont de Nemours	44¼	43⅜
87⅞	35¼	3.00	Eastman Kodak	60½	61
45¼	5	6% S	Electric Bond & Share	45¼	41⅝
15⅜	2¾	—	Electric Power & Light	15⅛	14⅛
5⅝	1	—	Fox Film "A"	4⅞	5⅛
26⅛	8½	.40	General Electric	21⅞	21
40½	19⅝	2.00	General Foods	31⅝	31¼
24⅝	7⅝	1.00	General Motors	18	17½
28⅝	6⅛	1.00	General Railway Signal	23	22
24¼	10⅜	1.00	Gillette Safety Razor	21¾	20¾
19⅝	8¼	1.60	Gold Dust	18¾	18⅜
11⅝	2¼	—	Goodrich Rubber	11⅝	10⅝
28⅜	5½	—	Goodyear Tire & Rubber	27⅝	26⅞
18¾	3⅝	—	International Cement	13¾	14¼
1⅞	½	—	International Combu. Eng.	1¼	1⅜
32¾	10⅜	1.20	International Harvester	32½	30¾
11⅜	3½	—	International Nickel	11⅜	11½
13	2⅜	—	International Tel. & Tel.	13	14⅛
28	10	—	Johns Manville	27½	25½
17⅛	4⅞	—	Kennecott	17⅛	18¼
9⅛	1/32	—	Kreuger & Toll	½	½
64⅞	32⅛	•4.00	Liggett & Myers, "B"	64⅞	64½
36⅞	13¼	•3.00	Loew's: Inc.	36⅞	35¼
17¼	9	1.20	Lorillard P. Co. (com.)	15⅝	16¼
10⅜	1½	—	Ludlum Steel	10⅜	10½
14¼	3½	—	Montgomery Ward	14¼	13⅞
60	23¾	1.20	National City Bk. bid price	60	Not
9⅛	2½	—	Nevada Copper	9⅛	9¾
36⅝	8¾	—	New York Central	30½	29
42¾	13¾	10%S	North American Co.	42¾	39⅝
37	16⅞	2.00	Pacific Gas & Electric	33⅛	32¼
5¼	1½	—	Packard Motors	4⅝	4⅜
11½	1½	—	Paramount—Publix. Corp.	7⅝	6¾
23⅜	6½	—	Pennsylvania Railroad	22⅞	22⅛
4⅛	1	—	Pennroad Corporation	4¼	4¼
7¾	2	—	Phillips Petroleum	7¼	7¾
60	28	3.20	Public Service of N. Jersey	53¾	52⅛
10⅝	2½	—	Radio Corporation	10½	10¾
7	1½	—	Radio-Keith Orpheum	5⅞	6⅛
45⅝	26½	3.00	Reynolds Tobacco "B"	37¼	36⅞
37⅜	9⅞	—	Sears Roebuck	26⅛	25
7	2½	—	Shell Union	6⅞	7⅛
12⅝	3	—	Simmons Company	12¼	11⅛
11¾	5¼	.80	Socony-Vacuum Corp.	11½	11¾
32¾	15¾	2.00	SouthernCaliforniaEdison.	29⅝	28
34¼	7⅝	2.00	Standard Gas & Electric	26⅛	25⅛
36⅝	19⅞	•1.00	Standard Oil of N. Jersey	36⅝	36⅝
17	9¼	1.00	Texas Corporation	17	17¼
26¾	12	2.00	Texas Gulf Sulphur	24¾	24½
7	2⅛	—	Trans America	7	6⅞
36⅞	15½	1.20	Union Carbide & Carbon	31⅛	30
94½	27⅝	6.00	Union Pacific Railway	81¾	78¾
29½	6½	—	United Aircraft & Trans.	29½	30
12¾	3½	.40	United Corporation	12¾	12½
21⅞	9¼	1.20	United Gas Improvement	21⅞	20⅝
9¾	1¼	—	U.S. Rubber	9½	9¼
52⅝	21¼	—	U.S. Steel	51½	50
21½	5¼	—	Vanadium	21½	21⅞
4⅜	½	—	Warner Bros. Pictures	3⅝	3½
42⅞	15⅞	—	Westinghouse E. & M.	42⅞	41
45⅝	22	2.40	Woolworth	41⅛	41⅜
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The National City Co. Gold Bond Quotations Received From Head Office

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SECURITY	RATE & DATE DUE	Price	Approx Yield %
The National City Bank of New York	Stock	51½	—
Argentine Government	6 % May 1, 1960	43 bid	—
U. S. of Brazil	6½% Oct. 15, 1957	16½	—
Republic of Finland ..	6½% Sep. 1, 1956	69	—
German Central Bank for Agriculture	6 % Oct. 15, 1960	44	—
Kingdom of Italy	7 % Dec. 1, 1951	91⅜	7.89
State of Minas Geraes Series "A"	6½% Sep. 1, 1959	13½	—
State of Sao Paulo (Brazil)	7 % Oct. 1, 1940	47½	—
American I.G. Chemical Corporation..	5½% May 1, 1949	80	7.62
Rhine Westphalia Electric Power Corp. ..	6 % Apr. 1, 1955	44½	—
QUOTATIONS RECEIVED FROM LONDON OFFICE			
Republic of China Gold Loan	5 % 1925	62½	—
Chinese Govt. Re-org. (£) Loan Stamped ..	5 % 1913/60	67	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 % 1913/60	65	—
Chinese Government (Crisp Loan)	5 % 1912	46	—
Shanghai-NankingRailway..	5 % 1904/08	34	—
Shanghai - Hangchow-Ningpo Railway ..	5 % 1908/58	61	—
Hukuang Railway.. ..	5 % 1911/1951	22	—
Tientsin-PukowRailway	5 % 1908/09	20	—

NOTE: The above quotations are received by cable and whilst believed to be correct are not guaranteed.

The National City Bank of New York, Rates of Exchange

Shanghai, Sept. 7, 1932

Demand selling rate on America:	U.S. $1.00=Sh. $4.6293
Demand buying rate on America:	U.S. $1.00=Sh. $4.5303
Demand selling rate on London:	£1.0.0=Sh. $16.119
Demand buying rate on London:	£1.0.0=Sh. $15.753

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Hostilities Are Resumed with Tibetans on Sikang Border

Resumption of hostilities with the Tibetans on the Sikang front is noted in a recent telegram from Chengtu. The troops under General Liu Wen-hui, Chairman of the Szechuan Provincial Government and Defence Commissioner for the Szechuan-Sikang Border, after crossing the Chinsha Kiang, have occupied Kangho and are about to attack Tsachu. The Tibetans are strengthening their defences near Changtu (Chamdo), their present base of operations, and sending large reinforcements to Chaya and Ningching, south of Changtu and west of Pa-an (Batang).

The Dalai Lama, who recently invaded the border territory from Tibet, is stated to be planning another invasion of Sikang, as the new province formed from part of what was once Szechwan is now called. His plans are said to be to make an attack during this coming winter, according to Chinese telegrams from Lanchow.

The Tibetan chief is reported to have moved large quantities of munitions to Sikang and also to have bought four new airplanes, with which practice flights are being made in the vicinity of the Tibetan capital of Lhasa.

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Chinese Merchants to Start Economic Blockade Against Japan

Local Chinese merchants, representatives of over 70 guilds, during the week pledged themselves to the enforcement of an economic blockade directed against Japan. According to a report issued by the *Kuo Min News Agency*, the guilds in addition to issuing a manifesto to the nation calling upon the whole country to follow the local example, have organized a joint committee for the upholding of the League Covenant. It is claimed that China is entitled to invoke Article 16 of the Covenant providing for economic sanctions and in order to do this China must be the first to carry out its provisions

Included among the 70 guilds which have subscribed to the manifesto are merchants dealing in lime, silk goods, imported groceries, sugar, waste cotton and piece goods, medicines and many other imports.

Henry W. Kinney to Attend Sessions of League as Member of Tokyo Group

A recent Tokyo message stated that in addition to George Bronson Rea of Shanghai, who sailed last month for Geneva via the United States, Henry W. Kinney of Dairen will be attached to the Japanese delegation to the League of Nations session, probably in a semi-official capacity. Both are Americans, Mr. Rea being advisor to the Governor of Manchukuo and Mr. Kinney a department chief of the South Manchuria Railway. Both men were selected at the suggestion of Count Uchida, Minister for Foreign Affairs, who has been in close touch with both since he was president of the South Manchuria Railway Company.

British Send Huge Plane-Milling Machine to Japan

The world's largest multiple-spindle plane-milling machine has been built by a British firm for the Japanese navy. It was completed last week and shipped to Japan on September 5. It weighs 220 tons and has taken a hair-breadth adjustment.

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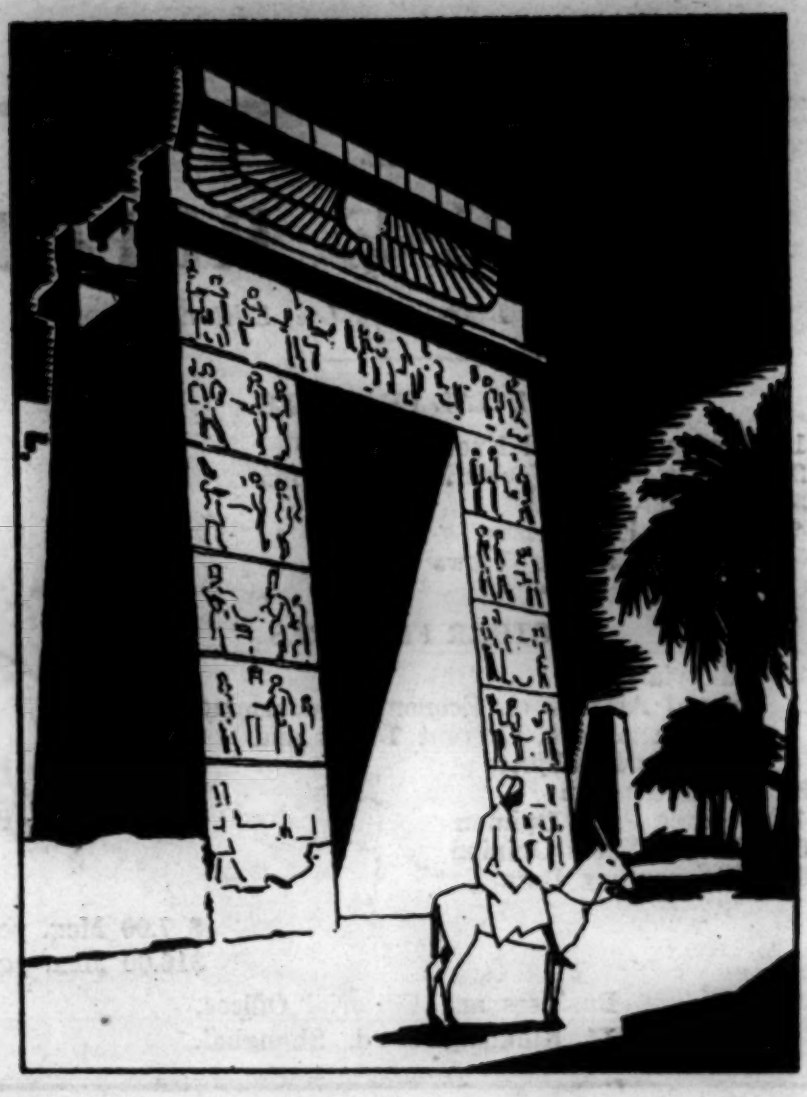

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